The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Establish in 1917

Sad Plight of Schools in the North--- Problem of U. S. Forces

ARTICLES IN THIS ISSUE

Christians Withdraw Support from Anti-Opium Body
Dangers Involved in Withdrawal of U.S. 15th at Tientsin
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The Growth of China's National Consciousness . . . . . By T. S. Young
Some Elements in the Japanese Invasion of North China . . . . . By C. Y. W. Meng

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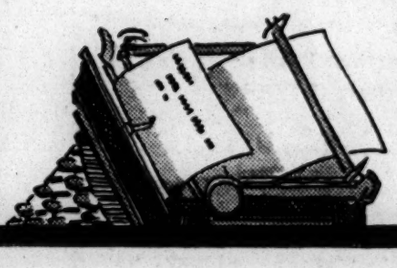

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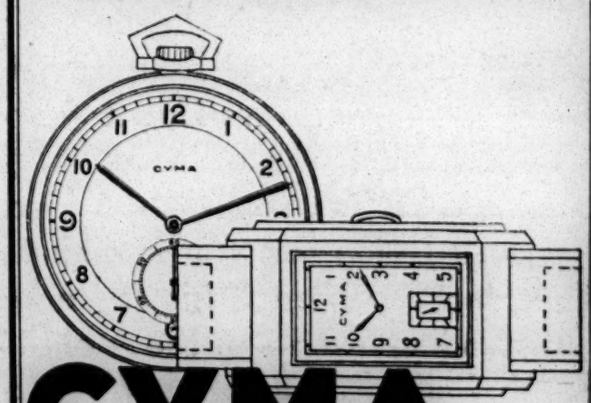

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The China Weekly REVIEW

Formerly Millard's Review

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DANGERS INVOLVED IN WITHDRAWAL OF U.S. 15th AT TIENTSIN

THE long agitation conducted in Washington, practically since the beginning of the Japanese intervention in Manchuria in 1931 for the removal of United States troops from North China has apparently reached a point where definite action may shortly be taken.

Reports from Washington through *Havas* on August 5 stated that Senator J. Hamilton Lewis, Democrat, of Chicago had demanded the early withdrawal of the United States Fifteenth Infantry Regiment stationed at Tientsin. He said that the old Boxer agreements were out of date, and that their provisions no longer corresponded to the necessities of the situation, and the presence of United States soldiers and marines in North China might lead to incidents like that which took place at the East Station in Tientsin on July 29 between French and Japanese soldiers. The despatch said that Senator Lewis' recommendation caused no surprise in the Senate, because a large number of Army officers had already voiced similar views in recent days. It was said, however, that the State Department had shown no sign of sharing their opinion.

The American forces now in North China number approximately 1,300 officers and men and embrace an Embassy guard in Peking composed of one battalion of marines numbering 500 officers and men. The U. S. garrison in Tientsin is composed of a headquarters staff and two battalions of the Fifteenth Infantry, numbering about 850 officers and men. Both groups have been in North China almost continuously since the days of the Boxer uprising. The British, French and Italians also maintain troops there, the total number being 3,250 for the three European groups. The number of Americans in the war zone in North China, including civilians and armed forces is about 3,000.

According to a *Reuter* despatch from Washington on July 31, Senator Lewis in another speech dealing with the situation in the Far East

opposed the immediate enforcement of the United States Neutrality Law. He said that those demanding immediate enforcement of the law failed to see that the minute we announce either nation the aggressor and declare both to be at war, our trade ships in the Orient would be seized by China or Japan or by both on the ground that we were carrying supplies to the enemy. American vessels already at sea would be seized and fired upon, Americans would be forced to resist the assaults, and, thus be at war with the Orient.

Senator Lewis failed to mention the further fact that the invocation of the Neutrality Law probably would make it necessary to immediately withdraw all American forces from China, including those in Shanghai, because both the Chinese and Japanese probably would immediately accuse the Americans of aiding the other party in the event of a serious conflict.

The U. S. Marine contingent at Peiping, being a mobile force, could be transferred to Shanghai and amalgamated with the American Marine forces here without any serious difficulty. The withdrawal of the Army Regiment at Tientsin, however would entail some complications due to its extended stay in the North China port. The United States Fifteenth Infantry Regiment, has often been referred to as America's "lost battalion," due to the long period it has been away from home. Even though it did not see service in Europe during the World War, it probably has had more foreign service than any other group in the United States Army. The first mention of the regiment in American history was on May 27, 1813, when it took part in the capture of Fort George in upper Canada. It was then part of the force of 7,000 men under General Dearborn, who commanded the troops around Lake Ontario.

The regiment next saw action on March 2nd, 1847 when it participated in the capture of Vera Cruz in the war with Mexico. After a march of 220 miles over the roughest type of country, it was one of the first to enter the gates of Mexico City, but losing in the action more than half of its effectives in killed and wounded. In 1862 the regiment was incorporated in the U. S. Regular Army and was stationed at Newport, Kentucky. During the American Civil War, 1860-1865, the Fifteenth participated in the important battles of Shiloh, Stone River, Murfeesboro, Chicamaugua, Missionary Ridge and Atlanta. After the war it did routine duty in Alabama, New Mexico, Dakota, Missouri and Colorado.

The regiment's next foreign experience began on November 23rd, 1899 when it was ordered to Savannah Ga., and a week later sailed for Cuba to participate in the freeing of that island from Spain in the Spanish-American war. After participating in the pacification of Cuba the regiment returned to the United States and was for a time stationed in New England. This was in the fall of 1899, but it did not remain inactive long for on July 7th, 1900 it received orders to prepare for along journey over the sea.

This time the trip was to China for the Boxer rebellion had broken out and American lives were in danger in North China. The first battalion, headquarters staff and band sailed from San Francisco on July 16th, and arrived at Taku bar (Tientsin) on August 16th, 1900. However, the regiment had arrived too late to participate in the actual fighting at Tientsin or the famous march to Peking to relieve the besieged Legations. The U. S. Ninth Infantry, which had preceded the Fifteenth to Tientsin, had come directly from the Philippines and in the fighting at Tientsin had lost 100 men and its Commander-in-Chief, Col. Emerson H. Liscum, who was shot dead by a Boxer bullet on the outskirts of Tientsin on July 13th. However, the Fifteenth found plenty to do in policing the Tientsin area, but its activities were short for on December 13th it was ordered to Manila where it saw service through 1901 and 1902, the latter year being ordered back to San Francisco.

On November 6th, 1905 orders were received to prepare for another sea trip and back the regiment went to the Philippines. However, it was again ordered to travel and in 1906 the officers and men returned to American soil, being stationed at Fort Douglas, Utah where it remained until 1911. Late that year orders again were received to proceed to Manila where quarters were established at Fort McKinley. Then on January 11, 1912 orders came to proceed to Tientsin and since the arrival of the Fifteenth in that city twenty-one years ago the Regiment has neither changed camp nor participated in an engagement, a most unique record.

The hesitancy of the State Department in making up its mind on the matter of withdrawing the Fifteenth Infantry, aside from normal inertia, is probably due to a feeling that withdrawal of the American troops would be interpreted as a gesture of approval of the Japanese occupation. A further reason for delay may be due to a desire to consult with the other governments which have forces in Tientsin, the British, French and Italians. As a withdrawal of the American forces would be tantamount to admission of the collapse of the provisions of the old Boxer Protocol, signed 37 years ago, it is natural that the U. S. Government should wish to consult with the other Powers which are still parties to the pact, at least to the extent of maintaining forces in Tientsin and along the railway between Tientsin and the sea.

The suggestion that withdrawal of the American forces might be interpreted as a gesture of approval of the Japanese occupation is a matter of little or no consequence and can have no possible bearing on future American policy. The important element in the situation is that this is no time for vacillation and the U. S. Government should make up its mind what it intends to do. A few days ago there was serious criticism in Tientsin due to an alleged failure on the part of the officers of the Fifteenth to take appropriate action in assisting American citizens who were endangered by Japanese military activities It was claimed that the failure of the officers to act was due to over-caution on the part of Washington officialdom that the United States might become involved in the Sino-Japanese complications. It is more than likely that Washington will discover—probably too late—that its efforts to keep out of trouble in the Orient have had an effect entirely opposite to that desired by the well-intentioned but poorly-informed individuals

who are responsible for the direction of American policy.

A logical suggestion would seem to be that since the troops were sent to China to protect American citizens, (including diplomats) the troops should not be removed in a time of crisis when their presence is most needed. But since the provisions of the old Boxer Protocol are no longer effective, in fact have not been effective since the removal of the Chinese Capital to Nanking several years ago, the U. S. Fifteenth Infantry Regiment should be released from its restrictions concerned with the protection of the railway and permitted to exercise normal functions as a mobile protective force for American citizens in the Tientsin district. Obviously the American troops should not be removed while there are still a large number of Americans residing in the area affected by the present crisis. But when the crisis is over, or eased for a time, Washington should then make up its mind what it intends to do—not wait for another crisis!

CHRISTIANS WITHDRAW SUPPORT FROM ANTI-OPIUM BODY

THE *Chinese Recorder*, leading journal of religion, regarded as the organ of the Protestant Missionary Boards in Shanghai, called attention in its August issue to the discontinuance of the National Anti-Opium Association. The organization, which had been in existence in Shanghai for many years under the general secretaryship of Garfield Huang received the support of thirty-three organizations, of which one-third were religious groups, chiefly Christian. Fourteen percent of the organizations represented women's interests.

According to the Editor of the *Recorder*, a recent inquiry regarding continued support of the organization sent to the thirty-three constitutent bodies only brought a favorable response from three. Thus, as a result of lack of funds it was decided to wind up the work.

It was suggested that the Chinese Government's action in assuming responsibility for leading the fight against narcotics might explain in part why the National Anti-Opium Association was being discontinued. The editor of the *Recorder* stated, however, that the demise of the organization could not but be regarded with regret and asked whether the influence formerly exerted by this organization could be exterted through some other channel. He said, "While the Government's anti-drug activity may be taken as a sign of new life, the demise of the National Anti-Opium Association appears to suggest a weakening of the moral support hitherto given by Christian and other organizations in this fight. The Government, in spite of its drastic and determined policy, cannot hope to repeat China's achievement in the ten years preceding 1917, when production and traffic in opium was virtually stopped for a considerable period. The conditions which led to the founding of the National Anti-Opium Association—widespread revival of the traffic in China and the machinations of Japanese and other non-Chinese in promoting the traffic—continue on an enlarged scale. Though the League of Nations has thrown the spotlight of publicity on this situation, no adequate plan to curb it is yet in sight. The Chinese Government is making progress, but public pressure must back up its policy."

In conclusion the Editor called attention to General Chiang Kai-shek's speech at Nanking on June 3 of this year, wherein the Generalissmo frankly declared that the opium trade provided a livelihood for hundreds of thousands of Chinese. He said, "The passive resistence of these hundreds of thousands can be a powerful obstacle to opium suppression." This passive resistance, in the opinion of the Editor of the religious journal, makes even more urgent the need for a dynamic public campaign against the traffic. He then referred to a recent article in a new magazine in Peiping called *Democracy*, which called the narcotic trade "China's only billion dollar retail business."

The Editor of the *Recorder* said, "To add Christian silence on the opium evil to the passive resistence of the traders will not strengthen the Government's hands. . . . So far as we know now, no national Christian association is paying any particular attention to this problem. The Christian forces should again endeavor to build up an informed and virile public opinion. To accept placidly the demise of the National Anti-Opium Association does not promise well for the future of the anti-narcotic campaign. China's leaders want to suppress the opium trade. Let Christians do their part in bringing this about."

Chinese Communist Returns from Japan to Assist Nanking

A *Domei* message from Tokyo Aug. 10 stated that Japanese friends of Kuo Mo-yu, a "reformed" Communist writer, expressed "acute resentment" over his secret departure for Nanking, where he is expected to participate in the anti-Japanese movement. Leaving behind his Japanese wife and five children, Mr. Kuo late last month succeeded in eluding the police net and slipping away under an assumed name.

Following Gen. Chiang Kai-shek's break with the Communists in 1927, Kuo, who at that time held rank as a Lieutenant-General in the Nationalist Army, fled to Japan. His companion, the famous Communist General Teng Yen-ta was caught and executed in Nanchang.

During his stay in Japan Mr. Kuo lived in a suburb of Tokyo and studied ancient history. He was also a frequent contributor to periodicals.

In leaving secretly the land that gave him refuge when he was in danger, his friends declared, Mr. Kuo showed himself to be an "ingrate," according to *Domei*.

The Sino-Japanese Crisis as Reflected in the Japanese Newspapers

WHEN the Japanese Cabinet embarked on its present adventure, the War Minister, Gen. Sugiyama, expressed the opinion that Yen 10,-100,000 would be sufficient to cover the initial expenses. The Cabinet therefore approved an appropriation for this amount from the so-called second reserve fund. An article in the *Asahi Shimbun* on July 30 gave the first indication that the campaign in North China might run into big money when it was stated that the initial appropriation of Yen 10,100,000 would be insufficient. It was sugested that a "supplementary budget" amounting to Yen 96,800,000 would be necessary. This was to be known as the "Second North China Incident Fund," and was to be covered by a special bond issue, the said bonds to be issued in small amounts in order to obtain subscriptions from the public generally. Now, according to *Domei*, Gen. Sugiyama informed the members of the Diet, prior to adjournament a few days ago that "things have come to such a pass in North China that a fundamental solution of the issue must be sought through armed force . . . hence a second supplementary budget bill amounting to Yen 300,000,000 was necessary." Later, just prior to adjournament, the Diet was informed that further increases made it necessary to increase the "second supplementary budget bill" to Yen 408,300,000.

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The *Asahi* published a dispatch from Nanking on July 29th stating that Dr. Wang Chung-hui, Foreign Minister, and Hsu Mo, Vice-minister as well as other Chinese diplomats were calling on the ambassadors of the various Powers "broadcasting exaggerated reports of the military action of the Japanese in North China and of the political ambitions of Japan in order to obtain the Powers' sympathy for China and to drag the Powers, which were concerned in the Boxer trouble of more than one-third of a century ago, into the present affair with an intervention proposal." The correspondent of the Tokyo paper stated however, that the Counselor of the Japanese Embassy, Shinrokuro Hidaka, had been offsetting the influence of the Nanking Foreign Office by also calling on the various ambassadors and ministers and clarifying the "fair and just attitude of the Japanese Government." as a result of Mr. Hidaka's activities, it was claimed that the foreign ambassadors and ministers "were taking care not to sink themselves too deeply into the affair and thus play into China's hands". The British and American ambassadors, according to the report, had requested Mr. Hidaka to advise his government not to engage in hostilities on the streets of Peiping and Tientsin and thus endanger the lives and properties of citizens of these two countries.

⁂

The *Hochi Shimbun* on July 30th stated that cinema, stage, review and gramophone records in Japan had all "turned khaki" in treating of war themes, particularly the North China incident. Advertisements of films and other entertainments on the fronts of theatres contained titles of new pictures and entertainments such as, "War is Here," "Soldiers' Comfort," etc. The paper said that since these activities indicated opportunist attempts to stir up jingoism, the Police Bureau of the Home Office had decided to take a "cautious attitude" and would censor such films. It was declared that items which unjustifiably insulted China or the Chinese people would constitute a manifestation of unfairness and would not accord with Japan's protestations and desires as the "promoter of peace in the Far East." As a result the Home Office cut five reels of a film called, "War Clouds over the Boarder," and seven reels of another film called, "Onward Imperial Army". The film, "Onward Imperial Army," depicted the son of a carpenter, a non-commissed officer in the Army, who entered his father's home and broke up a mah jong game, declaring that it was the height of offense against patriotism for a Japanese to be playing a Chinese game at a timelike this. Another film entitled, "Unscrupulous China," was allegedly ordered withdrawn entirely. The censor in charge of gramophone records also did his part in suppresing ultra-patriotic products, such as "Military Lullaby," "Silent Hero," "My War Comrade" and other popular records, which it was feared would drive out "sugary melodies based on the love theme."

⁂

The *Asahi* on July 29th published an article deprecating the lack of war atmosphere in the Diet. It was claimed that the trend of discussion "did not reflect the stingency of the prevailing times, when the North China incident was taking such a serious turn." "Interpolation, as well as the attitudes of the members, were exactly the same as they would be in ordinary Diet sessions. The paper urged the Government to do something about it and recommended that the leaders should conduct an exchange of views, in order to arouse more enthusiasm.

⁂

Several papers, referred to the continued presence of the Japanese Ambassador Shigeru Kowagoe, in Tientsin, when it was felt his presence was required in Nanking. It will be remembered that prior to Kawagoe's return, it was announced in Tokyo that he would merely pay a courtesy visit to Nanking, but would proceed immediately to the North with the object of conducting "local" negotiations on the spot. An article in the *Asahi* on July 29th said that Foreign Minister Hirota had sent instructions to Kawagoe at Tientsin to return to Nanking immediately and engage in "side negotiations" on the North China incident. But Ambassador Kawagoe, who owes his position to the influence of the Kwantung Army with which he previously was associated both in Manchukuo and North China, expressed a desire to prolong his stay in Tientsin, in order to "witness conditions on the spot for future reference." In the meantime the return of General Chiang Kai-shek and other Nanking leaders to Nanking and the arrival of various foreign envoys, including the British, American and Soviet ambassadors at the National Capital "had caused Nanking to become the focal point of international diplomacy." Serious criticism developed in Tokyo about the continued stay of Kawagoe in Tientsin when other diplomats were active at Nanking. Fearing the question might become an issue in the Diet, Foreign Minister Hirota on July 28th sent Kawagoe an urgent telegram suggesting that "if conditions on the spot permitted his departure from Tientsin, he should return to Nanking and his duties at once."

The *Nichi Nichi Shimbun* on July 28th published a significant dispatch which should be kept in mind by those who may have become unduly excited about the rebellion of the Chinese Peace Preservation Corps at Tungchow, resulting in the massacre of a considerable number of Japanese, including some Korean non-combatants. The report in the *Nichi Nichi*, based on a dispatch from Tientsin, stated that the Kawajima army unit stationed at Tungchow had demanded the disarming of a part of the regiment belonging to the 29th Army, which was stationed at Tungchow. Upon the alleged refusal of the Chinese to submit to disarming by the Japanese troops, the Kawajima unit assisted by airplanes opened fire on the Chinese forces. As the Chinese unit was hemmed in between the railway station and the wall, its casualties were very large, number- and 500, or practically three-fourths of the Chinese strength. The Japanese also seized a large quantity of arms and amunition. The dispatch stated that the Japanese sustained only ten casualties, including one lieutenant killed and another wounded.

While the Japanese news services have claimed that Yin Ju-keng, head of the East Hopei puppet regime was "safe in a certain place," presumably the Japanese Embassy in Peping, the Chinese insist he was executed by the units of the Chinese Peace Preservation Corps which "rebelled" against the Japanese and staged the "massacre" of Japanese in Tungchow. A *Domei* report from Tientsin on Aug. 9th referred to a certain Chih Tsung-mo who had been appointed acting chairman of the East Hopei government, "which was being removed to Tongshan." A report in the Tokyo *Hochi Shimbun* stated that Gen. Chang Ching-yu, chief of the East Hopei Peace preservation units was responsible for the mutiny and that he in turn had been instigated by remnants of the 29th army which had survived the Japanese massacre of that unit previously stationed in Tungchow. It was stated further that the unit which started the rebellion was formerly under Gen. Shih Yu-shan, previously connected with the Christian Genera Feng Yu-hsiang. The Japanese authorities were deeply concerned at the Tungchow "massacre" comparing it to the massacre of Japanese soldiers by Russians at Nikolaevsk, Lower Amur, during the World War. The Russians wiped out the entire Japanese garrison on that occasion.

A *Domei* dispatch from Peiping in the *Asahi* said that the Japanese population in Peiping at the beginning if the includent included 980 Japanese and 1150 Koreans. The dispatch stated that the Japanese residents' association had made such complete preparations that the concentration of refugees resulted in no confusion whatever... "It was just 37 years ago that Japanese residents of the ancient capital took refuge before and during the Boxer Rebellion. ... The step shows the extreme gravity of the present situation in North China."

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Chinese villagers and soldiers who were victims of Japanese air-bombing raids will be interested in learning from an article in the *Asahi* that many of the Japanese airmen, who carried out the bombing of Langfang and other points on the railways between Peiping and Tientsin, were young graduates of Japanese aviation schools ranging in age from 20 to 22 years. They had just completed their school courses and joined the service. The recent graduates were mixed with more experienced men, and according to the reports gave an excellent account of themselves. The following is a summary of the report in the *Asahi*: In the Langfang raids Corporals Handa, Taniguchi, Kawaguchi, Miura, Murakami, Ito, Nishi, Uenishi and Ichinose, all fresh from school, took part. Commanders Matsuzaki and Sakurai were amazed at the coolness and daring displayed by these young airmen having the first taste of any sort of battle. In the bomb-raid none of the airmen was injured and high spirits are in evidence within the whole unit over the initial success. They declared "When the orders came to bomb the enemy camp, we were immensely delighted. When we saw the enemy down below we were thrilled to our finger-tips. We simply can't get over the joy of having smashed the enemy barracks in that merry fashion. Even now we are all a-tingle with delight."

"KIDNAPPER ATTACKED"

McCuteheon in the Chicago Tribune

The above cartoon in the Chicago Tribune by the famous artist McCutcheon, contained the following explanation: "Japan is treacherously attacked when caught in a neighbor's house trying in a most friendly manner to kidnap the neighbor's little son Hopei."

⁂

The *Nichi Nichi Shimbun* published on July 28th an article from its Shanghai correspondent, entitled, "Polished Claws Beneath the Mask—Chinese Have No Real Wish for Settlement." The despatch, which undoubtedly did much to cause the Japanese to intensify their activities, said that "The adamant core of the National Government is making it impossible for the conclusion of an agreement on the spot. If the temporary respite (July 24) resulted from an awakening to the sincere intentions of the Japanese Government on the part of the Chinese, it might be considered a prelude to a peaceful settlement, but it could only be regarded as a manifestation of a selfish desire on the part of the Hopei-Chahar Regime to avoid war and the crafty strategy of the Nanking Government at the same time. Unless, therefore, Japan guards itself a source of much evil may be left for the future. Looking back on the policies adopted by the Chinese Government with regard to its relations with Japan in North China, we are aware that China while evinced panic at the unexpectedly firm attitude of Japan, her response always may be summarized in a single term, 'insincerity'. The action of the Hopei-Chahar Council in signing the agreement did not come

from any sincere wish to settle the situation in peace. Japan must, therefore, keep the situation under surveillance and guard against hostile Chinese forces seeking a chance for vengeance." In concluding his despatch, the correspondent said that the National Government had displayed "much ugliness transcending diplomatic common sense." Even in the face of diplomatic expediency, the determination of the Nanking Government has not weakened its preparations for open hostilities with Japan and has not yielded an inch on its attitude toward North China.

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It was announced on July 23rd, according to an article in the *Yomiuri Shimbun*, that the Japanese Government had finally decided to make a "great" change in its China policy with the present situation in North China as the turning point. As a result of extended conferences between the Japanese military authorities and diplomatic officials in China, it was decided that the North China incident was but one expression of a general anti-Japanese campaign of the Nanking Government. Therefore unless fundamental cause was removed, such incidents would crop up one after another in future. It was, therefore, believed that the important time had arrived for Japan to change the fundamental attitude of the Japanese Government toward the Nanking Government. Prince Konoye and Government military leaders were giving careful consideration to the rebuilding of Japan's China policy on the basis of views of officials of Japan in China.

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Several Tokyo newspapers, but particularly the *Hochi Shimbun* have continued to publish critical references to the activities of the Japanese Ambassador Shigoru Kawagoe, concerned chiefly with his remaining in Tientsin, when it was thought his presence was needed in Nanking. According to an article in the *Hochi* on August 4th, sixty officials of the Foreign Office signed an "impeachment" of the Vice-minister of Foreign affairs, Kensuke Horinouchi. This action was referred to on several occasions in the Diet, and there was also strong agitation and criticism of Foreign Minister Koki Hirota and Kawagoe. The article in the *Hochi* said that "much dissatisfaction was expressed in Diet quarters over what the members regarded as a lack of zeal on the part of the Foreign Office authorities. The delay of Ambassador Kawagoe in returning to his post in Nanking was followed by the internal political struggle in the Foreign Office and now the "deliberate falsehoods of Foreign Minister Hirota have all irritated the feelings of some of the Diet members, who are planning an open denunciation of the Foreign Minister." Another report published in the *Nichi Nichi* Shimbun on July 31st stated that the Foreign Office had dispatched Yoshiaki Miura, former Consul General at Hankow and now Consul General at Large, to Tientsin for the purpose of interviewing Kawagoe. The report stated that Mr. Miura, had been sent to Tientsin by Hirota for the purpose of urging Kawagoe to return to his post in Nanking at the earliest possible moment. The report stated further that the Government intended to send special envoys to China at regular intervals in order to keep in touch with the situation. A further report in the *Nichi Nichi*, also on the 31st, stated that Ambassador Kawagoe's movements "are being watched with interest in various quarters."

With reference to the question of Japanese policy, a member of the Diet asked Hirota whether the Japanese Government could solve the situation in North China in accordance with its announced principle of "no expansion." The member who asked this question expressed doubt at the Government's ability to obtain a local settement. Hirota replied, "We uphold the principle of a local settlement, but in case the Chinese side does not accept, another situation will have to arise." Of further interest in connection with Japanese policy were articles published in the *Asahi* during the first week in August, which were headed, "Formal Diplomatic Relations Virtually Severed" and "War as Good as Declared."

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An address delivered by Lieutenant General Kiyoshi Katsuki, Commander in Chief of the Japanese troops in North China, broadcast to Japan on August 3rd, gave a good idea of the opinion of the Japanese military leaders regarding Chinese commanders in North China. Gen. Katsuki declared, "The Japanese Army is composed of men who are honest and truthful to almost a foolish degree. Therefore when General Sung Cheh-yuan, commander of the Chinese troops, came to us and apologized for what had happened, and in addition when General Chang Tzu-chung (then Mayor of Tientsin) said he would do everything to satisfy us, we thought in the innocence of our hearts that the Chinese had a considerable degree of sincerity and that at least 70% or 80% of their promises would be kept, even if 100% obstrvance might be too much to expect of them. But they were all deliberate lies to deceive us. In some mysterious fashion the orders of Chinese Army commanders, divisional commanders, etc., disappeared on their way down the military system and actually orders are received transversely. Thus the 29th Army is even worse than a band of bandits, which at least act in accordance with the orders of its chief. The Japanese Army bore everything with the utmost patience until the very last in dealing with such an army, but the occurrences at Langfang and Kwanganmen exhausted our patience and made it necessary for us to act in order to uphold the honor of the Japanese Army. We have been patient and cautious to the verge of absurdity, but the general tendency of opinion in China and the situation in North China brought home to us the impossibility of a peaceful settlement and the utter need of armed action to maintain our prestige." General Katsuki in concluding his address appealed for support in Japan for activities in North China and particular warned the Japanese to guard against "disturbances of the rear through communistic and bolshevistic activities, which were likely to confuse the minds of the people with an insidious force, even more deadly than actual warfare."

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Sad Plight of Chinese Educational Institutions in North China

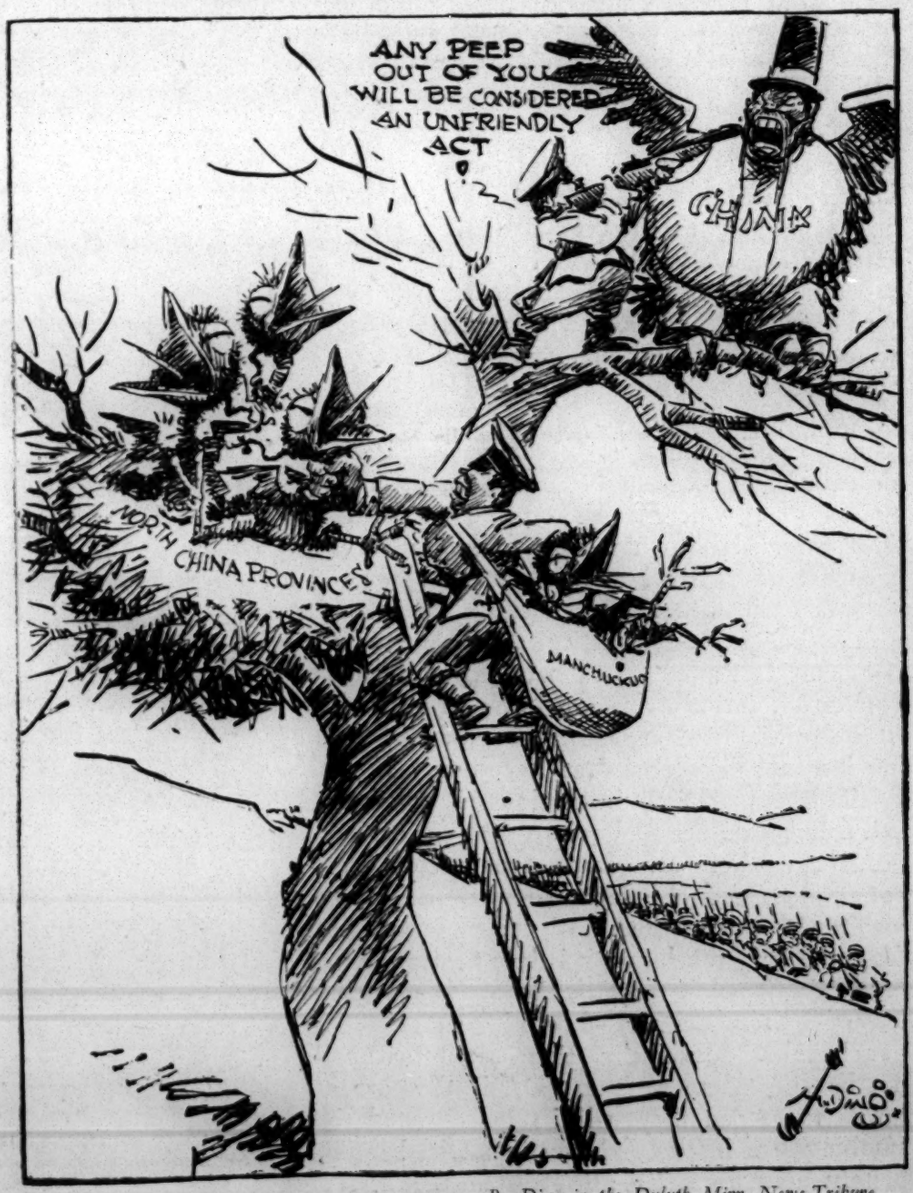
NOW that the Japanese have assumed complete military control of Peiping (and Tientsin) one pressing question arises: What will happen to the colleges and schools which have made the ancient Chinese capital famous and which have given it such an important place in the cultural history of the Chinese nation?

Before attempting to answer this question, let us, briefly review some important facts regarding these institutions. There are, in and around Peiping, no less than 10 universities and colleges and more than double that number of high schools. Conservatively estimated the total annual enrollment of students in these institutions runs close to 40,000, about 12,000 in the universities and colleges and some 28,000 in the high schools. The total number of faculty members of these institutions combined must reach 1,200. The aggregate value of buildings, grounds and equipment of these institutions, conservatively estimated would probably not be less than $30,000,000 (Chinese currency), not to mention the priceless collections of books in the university libraries.

Of the universities and college the best known are Peking University or "Peita," birthplace of the Chinese Renaissance Movement, which in recent years has contributed to the country many eminent leaders in various fields of activity. The school is world famous and has attracted the attention of many noted scholars and educators such as John Dewey of America and Bertrand Russell of Great Britain who lectured there. Tsinghua University, another famous institution financed by the American Boxer Indemnity which possesses one of the finest campuses in the Far East and has among other features one of the best-equipped engineering colleges in the country. Then there is Yenching University, outstanding Christian higher educational institution in China which also boasts a campus and community that combine the best and finest of East and West. Another institution that deserves special mention is the Peiping Normal College, by far the best equipped college of its kind in the country.

So much for the statistical or visible side. As for intangible influences which these institutions exert or have exerted on Chinese cultural and educational life, these elements are clearly beyond estimation. Suffice to say that for many years these schools have dominated the thought life and educational trends of China even as Harvard, Princeton, Yale and Columbia have done in the cultural and educational life of the

JAPAN'S PEACEFUL PENETRATION



By Ding in the Duluth Minn. News-Tribune

The Sino-Japanese Crisis as Reflected in the Japanese Newspapers

WHEN the Japanese Cabinet embarked on its present adventure, the War Minister, Gen. Sugiyama, expressed the opinion that Yen 10,-100,000 would be sufficient to cover the initial expenses. The Cabinet therefore approved an appropriation for this amount from the so-called second reserve fund. An article in the *Asahi Shimbun* on July 30 gave the first indication that the campaign in North China might run into big money when it was stated that the initial appropriation of Yen 10,100,000 would be insufficient. It was sugested that a "supplementary budget" amounting to Yen 96,800,000 would be necessary. This was to be known as the "Second North China Incident Fund," and was to be covered by a special bond issue, the said bonds to be issued in small amounts in order to obtain subscriptions from the public generally. Now, according to *Domei*, Gen. Sugiyama informed the members of the Diet, prior to adjournament a few days ago that "things have come to such a pass in North China that a fundamental solution of the issue must be sought through armed force .... hence a second supplementary budget bill amounting to Yen 300,000,000 was necessary." Later, just prior to adjournament, the Diet was informed that further increases made it necessary to increase the "second supplementary budget bill" to Yen 408,300,000.

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The *Asahi* published a dispatch from Nanking on July 29th stating that Dr. Wang Chung-hui, Foreign Minister, and Hsu Mo, Vice-minister as well as other Chinese diplomats were calling on the ambassadors of the various Powers "broadcasting exaggerated reports of the military action of the Japanese in North China and of the political ambitions of Japan in order to obtain the Powers' sympathy for China and to drag the Powers, which were concerned in the Boxer trouble of more than one-third of a century ago, into the present affair with an intervention proposal." The correspondent of the Tokyo paper stated however, that the Counselor of the Japanese Embassy, Shinrokuro Hidaka, had been offsetting the influence of the Nanking Foreign Office by also calling on the various ambassadors and ministers and clarifying the "fair and just attitude of the Japanese Government." as a result of Mr. Hidaka's activities, it was claimed that the foreign ambassadors and ministers "were taking care not to sink themselves too deeply into the affair and thus play into China's hands". The British and American ambassadors, according to the report, had requested Mr. Hidaka to advise his government not to engage in hostilities on the streets of Peiping and Tientsin and thus endanger the lives and properties of citizens of these two countries.

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The *Hochi Shimbun* on July 30th stated that cinema, stage, review and gramophone records in Japan had all "turned khaki" in treating of war themes, particularly the North China incident. Advertisements of films and other entertainments on the fronts of theatres contained titles of new pictures and entertainments such as, "War is Here," "Soldiers' Comfort," etc. The paper said that since these activities indicated opportunist attempts to stir up jingoism, the Police Bureau of the Home Office had decided to take a "cautious attitude" and would censor such films. It was declared that items which unjustifiably insulted China or the Chinese people would constitute a manifestation of unfairness and would not accord with Japan's protestations and desires as the "promoter of peace in the Far East." As a result the Home Office cut five reels of a film called, "War Clouds over the Boarder," and seven reels of another film called, "Onward Imperial Army". The film, "Onward Imperial Army," depicted the son of a carpenter, a non-commissed officer in the Army, who entered his father's home and broke up a mah jong game, declaring that it was the height of offense against patriotism for a Japanese to be playing a Chinese game at a timelike this. Another film entitled, "Unscrupulous China," was allegedly ordered withdrawn entirely. The censor in charge of gramophone records also did his part in suppresing ultra-patriotic products, such as "Military Lullaby," "Silent Hero," "My War Comrade" and other popular records, which it was feared would drive out "sugary melodies based on the love theme."

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The *Asahi* on July 29th published an article deprecating the lack of war atmosphere in the Diet. It was claimed that the trend of discussion "did not reflect the stingency of the prevailing times, when the North China incident was taking such a serious turn." "Interpolation, as well as the attitudes of the members, were exactly the same as they would be in ordinary Diet sessions. The paper urged the Government to do something about it and recommended that the leaders should conduct an exchange of views, in order to arouse more enthusiasm.

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Several papers, referred to the continued presence of the Japanese Ambassador Shigeru Kowagoe, in Tientsin, when it was felt his presence was required in Nanking. It will be remembered that prior to Kawagoe's return, it was announced in Tokyo that he would merely pay a courtesy visit to Nanking, but would proceed immediately to the North with the object of conducting "local" negotiations on the spot. An article in the *Asahi* on July 29th said that Foreign Minister Hirota had sent instructions to Kawagoe at Tientsin to return to Nanking immediately and engage in "side negotiations" on the North China incident. But Ambassador Kawagoe, who owes his position to the influence of the Kwantung Army with which he previously was associated both in Manchukuo and North China, expressed a desire to prolong his stay in Tientsin, in order to "witness conditions on the spot for future reference." In the meantime the return of General Chiang Kai-shek and other Nanking leaders to Nanking and the arrival of various foreign envoys, including the British, American and Soviet ambassadors at the National Capital "had caused Nanking to become the focal point of international diplomacy." Serious criticism developed in Tokyo about the continued stay of Kawagoe in Tientsin when other diplomats were active at Nanking. Fearing the question might become an issue in the Diet, Foreign Minister Hirota on July 28th sent Kawagoe an urgent telegram suggesting that "if conditions on the spot permitted his departure from Tientsin, he should return to Nanking and his duties at once."

The *Nichi Nichi Shimbun* on July 28th published a significant dispatch which should be kept in mind by those who may have become unduly excited about the rebellion of the Chinese Peace Preservation Corps at Tungchow, resulting in the massacre of a considerable number of Japanese, including some Korean non-combatants. The report in the *Nichi Nichi*, based on a dispatch from Tientsin, stated that the Kawajima army unit stationed at Tungchow had demanded the disarming of a part of the regiment belonging to the 29th Army, which was stationed at Tungchow. Upon the alleged refusal of the Chinese to submit to disarming by the Japanese troops, the Kawajima unit assisted by airplanes opened fire on the Chinese forces. As the Chinese unit was hemmed in between the railway station and the wall, its casualties were very large, number- and 500, or practically three-fourths of the Chinese strength. The Japanese also seized a large quantity of arms and amunition. The dispatch stated that the Japanese sustained only ten casualties, including one lieutenant killed and another wounded.

"KIDNAPPER ATTACKED"

McCuteheon in the Chicago Tribune

The above cartoon in the Chicago Tribune by the famous artist McCutcheon, contained the following explanation: "Japan is treacherously attacked when caught in a neighbor's house trying in a most friendly manner to kidnap the neighbor's little son Hopei."

While the Japanese news services have claimed that Yin Ju-keng, head of the East Hopei puppet regime was "safe in a certain place," presumably the Japanese Embassy in Peping, the Chinese insist he was executed by the units of the Chinese Peace Preservation Corps which "rebelled" against the Japanese and staged the "massacre" of Japanese in Tungchow. A *Domei* report from Tientsin on Aug. 9th referred to a certain Chih Tsung-mo who had been appointed acting chairman of the East Hopei government, "which was being removed to Tongshan." A report in the Tokyo *Hochi Shimbun* stated that Gen. Chang Ching-yu, chief of the East Hopei Peace preservation units was responsible for the mutiny and that he in turn had been instigated by remnants of the 29th army which had survived the Japanese massacre of that unit previously stationed in Tungchow. It was stated further that the unit which started the rebellion was formerly under Gen. Shih Yu-shan, previously connected with the Christian Genera Feng Yu-hsiang. The Japanese authorities were deeply concerned at the Tungchow "massacre" comparing it to the massacre of Japanese soldiers by Russians at Nikolaevsk, Lower Amur, during the World War. The Russians wiped out the entire Japanese garrison on that occasion.

A *Domei* dispatch from Peiping in the *Asahi* said that the Japanese population in Peiping at the beginning if the includent included 980 Japanese and 1150 Koreans. The dispatch stated that the Japanese residents' association had made such complete preparations that the concentration of refugees resulted in no confusion whatever... "It was just 37 years ago that Japanese residents of the ancient capital took refuge before and during the Boxer Rebellion. ... The step shows the extreme gravity of the present situation in North China."

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Chinese villagers and soldiers who were victims of Japanese air-bombing raids will be interested in learning from an article in the *Asahi* that many of the Japanese airmen, who carried out the bombing of Langfang and other points on the railways between Peiping and Tientsin, were young graduates of Japanese aviation schools ranging in age from 20 to 22 years. They had just completed their school courses and joined the service. The recent graduates were mixed with more experienced men, and according to the reports gave an excellent account of themselves. The following is a summary of the report in the *Asahi*: In the Langfang raids Corporals Handa, Taniguchi, Kawaguchi, Miura, Murakami, Ito, Nishi, Uenishi and Ichinose, all fresh from school, took part. Commanders Matsuzaki and Sakurai were amazed at the coolness and daring displayed by these young airmen having the first taste of any sort of battle. In the bomb-raid none of the airmen was injured and high spirits are in evidence within the whole unit over the initial success. They declared "When the orders came to bomb the enemy camp, we were immensely delighted. When we saw the enemy down below we were thrilled to our finger-tips. We simply can't get over the joy of having smashed the enemy barracks in that merry fashion. Even now we are all a-tingle with delight."

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The *Nichi Nichi Shimbun* published on July 28th an article from its Shanghai correspondent, entitled, "Polished Claws Beneath the Mask—Chinese Have No Real Wish for Settlement." The despatch, which undoubtedly did much to cause the Japanese to intensify their activities, said that "The adamant core of the National Government is making it impossible for the conclusion of an agreement on the spot. If the temporary respite (July 24) resulted from an awakening to the sincere intentions of the Japanese Government on the part of the Chinese, it might be considered a prelude to a peaceful settlement, but it could only be regarded as a manifestation of a selfish desire on the part of the Hopei-Chahar Regime to avoid war and the crafty strategy of the Nanking Government at the same time. Unless, therefore, Japan guards itself a source of much evil may be left for the future. Looking back on the policies adopted by the Chinese Government with regard to its relations with Japan in North China, we are aware that China while evinced panic at the unexpectedly firm attitude of Japan, her response always may be summarized in a single term, 'insincerity'. The action of the Hopei-Chahar Council in signing the agreement did not come

from any sincere wish to settle the situation in peace. Japan must, therefore, keep the situation under surveillance and guard against hostile Chinese forces seeking a chance for vengeance." In concluding his despatch, the correspondent said that the National Government had displayed "much ugliness transcending diplomatic common sense." Even in the face of diplomatic expediency, the determination of the Nanking Government has not weakened its preparations for open hostilities with Japan and has not yielded an inch on its attitude toward North China.

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It was announced on July 23rd, according to an article in the *Yomiuri Shimbun*, that the Japanese Government had finally decided to make a "great" change in its China policy with the present situation in North China as the turning point. As a result of extended conferences between the Japanese military authorities and diplomatic officials in China, it was decided that the North China incident was but one expression of a general anti-Japanese campaign of the Nanking Government. Therefore unless fundamental cause was removed, such incidents would crop up one after another in future. It was, therefore, believed that the important time had arrived for Japan to change the fundamental attitude of the Japanese Government toward the Nanking Government. Prince Konoye and Government military leaders were giving careful consideration to the rebuilding of Japan's China policy on the basis of views of officials of Japan in China.

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Several Tokyo newspapers, but particularly the *Hochi Shimbun* have continued to publish critical references to the activities of the Japanese Ambassador Shigoru Kawagoe, concerned chiefly with his remaining in Tientsin, when it was thought his presence was needed in Nanking. According to an article in the *Hochi* on August 4th, sixty officials of the Foreign Office signed an "impeachment" of the Vice-minister of Foreign affairs, Kensuke Horinouchi. This action was referred to on several occasions in the Diet, and there was also strong agitation and criticism of Foreign Minister Koki Hirota and Kawagoe. The article in the *Hochi* said that "much dissatisfaction was expressed in Diet quarters over what the members regarded as a lack of zeal on the part of the Foreign Office authorities. The delay of Ambassador Kawagoe in returning to his post in Nanking was followed by the internal political struggle in the Foreign Office and now the "deliberate falsehoods of Foreign Minister Hirota have all irritated the feelings of some of the Diet members, who are planning an open denunciation of the Foreign Minister." Another report published in the *Nichi Nichi* Shimbun on July 31st stated that the Foreign Office had dispatched Yoshiaki Miura, former Consul General at Hankow and now Consul General at Large, to Tientsin for the purpose of interviewing Kawagoe. The report stated that Mr. Miura, had been sent to Tientsin by Hirota for the purpose of urging Kawagoe to return to his post in Nanking at the earliest possible moment. The report stated further that the Government intended to send special envoys to China at regular intervals in order to keep in touch with the situation. A further report in the *Nichi Nichi*, also on the 31st, stated that Ambassador Kawagoe's movements "are being watched with interest in various quarters."

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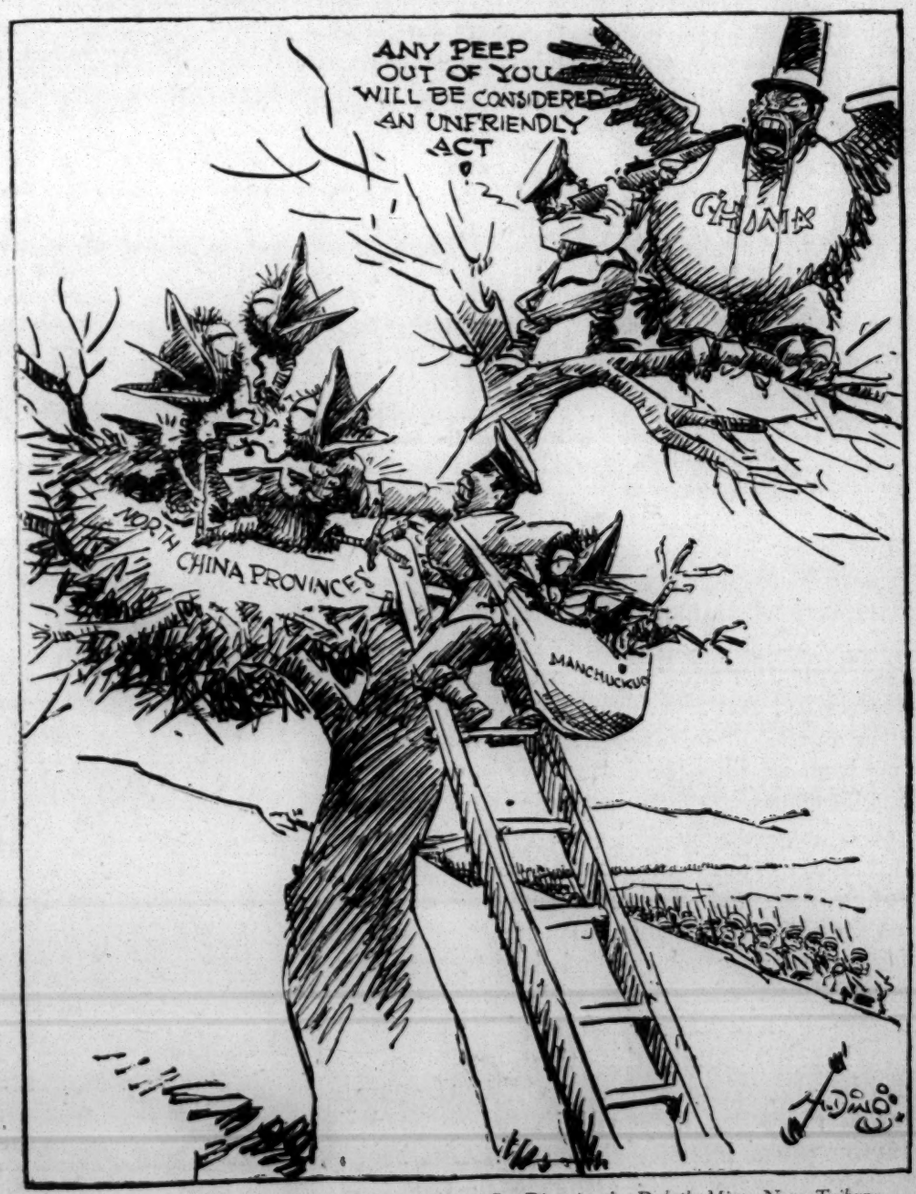


By Ding in the Duluth Minn. News-Tribune

United States of America or Oxford, Cambridge and London School of Economics in Great Britain. More significant still Peiping, or to use the older style Peking, has been in recent years the birthplace of innumerable patriotic movements such as the May 7th Movement of 1919; and the December 9th Movement of 1935. These movements frustrated Japan's previous attempts to partition China. The former prevented the signing away of Shantung to Japan at the Paris Peace Conference and the latter rendered abortive Doihara's scheme to set up an autonomous regime in the five northern provinces, Hopei, Chahar, Suiyuan, Shansi and Shantung. It was more than a coincidence that the Japanese chose the summer vacation when most of the faculty members and students of these educational institutions were away from Peiping, to stage their latest invasion of China.

What is likely to be the fate of these educational institutions? If the bombing, burning and leveling of Nankai University and Nankai High School in Tientsin by the Japanese can be taken as an indication of Nippon's attitude and tactics toward Chinese educational institutions one may conclude that their fate is sealed. It may be recalled that one of the first acts of the Japanese military after their seizure of Mukden in the fall of 1931 was the "liquidation" of Northeastern University. Educators, students and intellectuals of any consequence at all had to flee for their lives. Those who remained behind were disposed of in summary fashion or just "disappeared." Thousands of Chinese students, expelled from the universities, colleges and high schools in Manchuria, have been wandering about China for the past half dozen years trying to find a place where they could complete their educations. It also cannot be forgotten that the Japanese destroyed a number of educational institutions when they intervened at Shanghai in 1932—Tungchih University at Woosung, the National Institute of China, Shanghai Labor University, and a number of technical institutions such as the school of Fisheries and naval training institute also located at Woosung. It is of significance that such institutions as universities and colleges do not find opportunity for existance in Korea or Formosa. Institutions of culture and enlightment and the Japanese war machine are manifestly incompatible. In the light of these facts, the only conclusion it is safe to draw is that unless the Japanese troops withdraw or are driven out of Peiping, either of which are remote if not hopeless possibilities, these institutions will not be allowed to resume. Or, if they are allowed to reopen they will be so restricted that anything like intellectual freedom will be completely absent. After all even in the best of educational institutions in Japan intellectual freedom is a rare commodity.

According to press reports the Ministry of Education is formulating plans to move these institutions south, that is faculty members and students. This of course can only be a makeshift at best. No place can give the atmosphere to these institutions such as Peiping gave and atmosphere, or traditions, is of utmost importance to cultural or educational institutions. Therefore unless a miracle happens, and miracles do not happen frequently in this 20th century, Peiping for a considerable time will be a "lost paradise" in so far as Chinese cultural and educational institutions are concerned. Meanwhile, not only China but the culture loving world at large will mourn this loss with the hope that it will not be permanent and that sometime and somehow this "lost paradise" may yet be regained!

H. L.

All Japanese Cotton Mills in China May Cease Operations

Tatsuichiro Funatsu, director-general of the Japanese Cotton Millowners' Association in China, arrived in Shanghai this week to discuss the possibility of closing-up all mills in Shanghai and in other parts of China because of the present situation.

All Japanese Cotton Mills in Tsingtao Suspend Operations

As over 80 per cent of the Chinese workers of the mills have left Tsingtao, the managements of Japanese cotton mills there have decided to suspend operations. The departure of Chinese workers from Tsingtao is to be stated by the Shanghai *Nichi Nichi*, to be due to the report that large numbers of Japanese troops will land there and that disturbances are inevitable.

Nanking Lays in Food Supplies to Provide for Emergencies

Aside from defense matters, Nanking is feverishly and systematically preparing for emergencies. The Municipal authorities are reported to have mapped out measures to raise a sizable fund to purchase foodstuffs to be stored for future needs. At the same time, Nanking's rice and wheat merchants, working in close cooperation with officials of the Ministry of Interior, have also drafted plans for requisitions of supplies.

Kwangtung's 3-Year Rural Program Approved by Central Government

A 3-year rural rehabilitation program calculated to solve the food problem and revive rural economy in Kwangtung, which was drafted by the Kwangtung Provincial Government, has been approved by the Central Government, according to D. Y. Lin, Director of the Kwangtung Bureau of Agricultural and Forestry, who arrived in Hongkong early this week.

Nanking Daily Advocates War-Time Industrial Control

War-time industrial control measures adopted by the General Labor Union and the General Chamber of Commerce in Shanghai at a recent joint meeting were editorially endorsed by the *Central Daily News* (Nanking) Aug. 9. The journal pointed out that Chinese industry lacks both organization and planning. Such defects will be more apparent in time of war, and therefore it is up to the Government to enforce rigid supervision in order to made a prolonged struggle against foreign aggression successful.

China Produces 17,000,000 Piculs of Cotton This Year

China is producing 17,000,000 piculs of cotton this year, representing an increase of 664,736 piculs when compared with the past year, the *Shanghai Mainichi* of Aug. 3 stated.

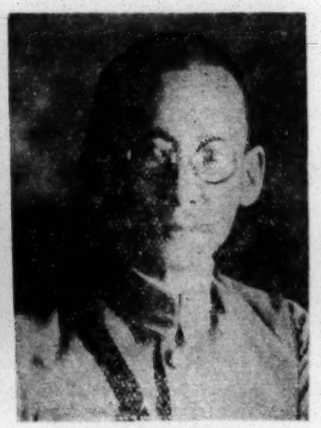
Harmony Marks Nanking Conferences on Situation; More Important Provincial Leaders Arrive in Capital

HIGH LIGHTS IN THE EVENTS OF THE WEEK:

1. **Yunnan and Szechwan Chairmen Arrive in Nanking, Support Gen. Chiang's Stand.**
2. **Gen. Pai Chung-hsi Mentioned as Chief of Staff of Anti-Japanese Compaign.**
3. **Gen. Tsai Ting-kai, Hero of 1932 Shanghai War, Urges Armed Resistance.**
4. **Chang Hsueh-liang Said Coming to Nanking, Yu Han-mou Returns to Canton.**
5. **Gen. Chiang Kai-shek Said Determined to Resist, Declares Salvation Leader.**
6. **Nanking Government Decides to Evacuate Chinese Nationals in Japan.**
7. **Dr. Kung Secures Huge British Loan, French and American Banks Also to Subscribe.**
8. **China Determines to Resist Force With Force, Declares Dr. Kung in Paris.**

Marked harmony in views has pervaded the conferences held at Nanking during the week between Generalissimo Chiang Kai-shek and the various provincial leaders as regards measures to cope with the North China situation, according to a *Central News* report. The Generalissimo was host to the many regional leaders and army commanders at a luncheon party given at noon Aug. 8 at the Officers Moral Endeavor Association. Among those present were Gen. Yen Hsi-shan, Pacification Commissioner for Shansi and Suiyuan; Gen. Pai Chung-hsi, Deputy Commander-in-Chief of the Fifth Route Army; Gen. Liu Hsiang, Pacification Commissioner for Szechwan and Sikong; Gen. Yu Han-mou, Pacification Commissioner for Kwangtung; Gen. Ho Chien, Chairman of Hunan; Gens. Ku Chu-tung and Ho Cheng-chun, respectively Directors of the Generalissimo's Provisional Headquarters in Sian and Wuhan, and Gen. Huang Shao-hsiung, Chairman of Hupeh. High military leaders in Nanking present included Gen. Feng Yu-hsiang, Vice-chairman of the Military Affairs Commission, Gen. Ho Ying-chin, Minister of War, and Gen. Cheng Chien, Chief of the General Staff.

Gen. Liu Hsiang



Gen. Lung Yun

Gen. Yu Han-Mou

Gen. Tsai Ting-kai

There is no more gratifying sign of the further consolidation of national unity than the visit to Nanking of regional leaders from all parts of China, said the *Hsin Min Pao* in Nanking editorially, Aug. 8. In the greatest crisis of her history, the journal said, this encouraging sign demonstrates the complete loyalty of the provincial leaders to the Central Government and their support of the Generalissimo. The daily laid especial emphasis on the fact that both Gen. Tsai Ting-kai, Field Commander of the 19th Route Army, and Gen. Li Chai-sum, leader of the abortive revolt in Fukien in 1933, were also coming to Nanking.

Perseverance and calmness are essential for maintaining peace and order at the present juncture of crisis, declared Lin Sen, Chairman of the National Government, at the memorial service in the morning, Aug. 9. "While our soldiers are fighting at the front," Chairman Lin counselled, "we in the rear must exert our utmost in stabilizing the financial structure and increasing production." Cooperation of the people with the government in protecting the lives and property of foreign nationals resident in this country was also urged by the Chief Executive. Foreigners of all nationalities, Mr. Lin said, must be justly and magnanimously treated.

YUNNAN AND SZECHWAN CHAIRMEN ARRIVE IN NANKING, SUPPORT GEN. CHIANG'S STAND

Adding to the imposing array of prominent visitors to Nanking, Gen. Lung Yun, Chairman of Yunnan, arrived at the Capital from Kunming by plane at 5.30 p.m. Aug. 9. Interviewed by the press, Gen. Lung said that although it was the first time that he visited Nanking he was deeply impressed by the various reconstruction projects in China's capital. Gen. Lung pledged his unqualified support to the policy of the National Government, as outlined by Gen. Chiang Kai-shek, and said Yunnan was ready to contribute its man and material power to the Government during the present crisis.

"China's national crisis has reached a most critical stage and resistance on a nationwide basis seems inevitable," declared Gen. Liu Hsiang, Chairman of Szechwan, upon his arrival at Nanking from Chengtu by plane Aug. 7. Gen. Liu interviewed Gen. Chiang Kai-shek in the evening. Endorsing the views of other national leaders who are now gathered in Nanking, Gen. Liu said that armed resistance against Japan is the only way out for China. He said that Szechwan will play an important part in the future campaign against the Japanese. With the readjustment of troops of Szechwan and Sikong completed, his province will be able to contribute its human and material power to the State.

Tsou Lu, member of the C.E.C., was another important visitor who arrived at Nanking from Shanghai Aug. 9. Mr. Tsou, who came from Canton, informed press representatives that patriotic fervor had swept the Chinese people throughout the coastal cities he had visited in South China and that armed resistance against foreign aggression had become the universal demand of the masses.

THREE MORE PROVINCIAL LEADERS ARRIVE IN CAPITAL TO SEE GEN. CHIANG

Three more high provincial leaders, Gens. Ku Chu-tung, Ho Cheng-chun and Huang Shao-hsiung, arrived at Nanking Aug. 6 to interview Gen. Chiang Kai-shek. Gen. Ku is Director of the Generalissimo's Porvisional Headquarters in Sian, Gen. Ho is Pacification Commissioner of Hupeh, and Gen. Huang Hupeh Chairman. The three regional leaders were received by the Generalissimo shortly after their arrival. Gen. Ku who came from Chungking reported to the Generalissimo on the reorganization of the Szechwan and Sikong troops now in progress, while Gens. Ho and Huang reported on measures now being taken to maintain public peace and order in Hupeh. Gen. Ho also called on Gen. Feng Yu-hsiang, Vice-chairman of the Military Affairs Commission, Gen. Yen Hsi-shan, Pacification Commissioner for Shansi and Suiyuan, and Gen. Pai Chung-hsi, Deputy Commander-in-Chief of the Fifth Route Army in Kwangsi.

GEN. PAI CHUNG-HSI MENTIONED AS CHIEF OF STAFF OF ANTI-JAPANESE CAMPAIGN

General Pai Chung-hsi, Vice-Commander-in-Chief of the 5th Route Army, who is now in Nanking, renewed contacts with many old friends Aug. 5. Among those who called on him were General Feng Yu-hsiang, Vice-President of the Military Affairs Commission, General Yu Han-mou, Pacification Commissioner for Kwangtung, and General Ho Chien, Chairman of the Hunan Provincial Government. In the afternoon, General Pai made formal calls on the various leaders at the Capital. Interviewed, General Pai expressed gratification at the complete recovery in

health of General Chiang Kai-shek, and the progress in municipal reconstruction at the Capital. The leaders of the Central Government, he said, are determined to resist Japanese aggression. Though the military equipment of the enemy is superior to ours, the spirit of our people can compensate for that deficiency. He recalled that although during the Northern Punitive Expedition the equipment of the Northern warlords was ten times superior to that of the Kuomintang forces, the enemy were overcome one after another. Moreover, airplanes and cannon are things which may be purchased. The large population and resources of this country as well as the popular hatred for the enemy are important determining factors in a war. General Pai said that he will devote himself to national salvation under the direction of General Chiang Kai-shek so as to fulfil the expectation of the people.

Following a series of military conferences in Nanking, *Shanghai Mainichi* reported Aug. 5 that Gen. Pai Chung-hsi has been appointed as chief of staff of the Chinese armies, in the forthcoming military campaign against Japanese troops. At the conferences, plans of military operations have been discussed by the military leaders of the Chinese Government.

GEN. TSAI TING-KAI, HERO OF SHANGHAI WAR OF 1932, URGES ARMED RESISTANCE

A stronger advocate for armed resistance against Japanese aggression in China than in the days of 1932, Gen. Tsai Ting-kai, Field Commander of the world famous, defunct 19th Route Army, arrived in Shanghai at 2.10 p.m. Aug. 8 from Hongkong. Coming on the *Empress of Japan* together with Gen. Tsai, was Tsou Lu, Chancellor of the Sun Yat-sen University in Canton. The 19th Route Army officers who accompanied Gen. Tsai were Lieut.-Gen. Tan Chi-hsiu, divisional commander and defender of the Woosung Forts during the Sino-Japanese hostilities in 1932, Lieut.-Gen. Li Sheng-tsung, deputy divisional commander, and Lieut.-Gen. Yeh Shao-chuen, Director of the General Affairs Section. Dressed in a grey foreign suit and in the best of health, Gen. Tsai was greeted at the wharf by a representative gathering of Chinese officials and friends in Shanghai. Interviewed shortly after arrival Gen. Tsai stated that he was going to Nanking to serve the National Government in the capacity of a retired army commander, now that the Central authorities were determined to resist further Japanese encroachments of Chinese territory. True to his policy that the best way to stop foreign aggression in China was armed resi tance, Gen. Tsai said that he was ready to lay down his life on the very first front line of the battlefield. All army men in China, whether in active service or retired, Gen. Tsai declared, should now come forward as one man to fight alien aggression shoulder to shoulder under the leadership of the nation's highest military command. On the part of the people, Gen. Tsai continued, they should maintain an attitude of calm while discharging their respective duties in the rear.

HSIAO CHENG-YING RETURNS BY PLANE FROM ABROAD, PEIPING MAYOR IN NANKING

A prolonged frontal resistance against Japanese aggression is the only course open to China in coping with the North China situation, in the opinion of Gen. Hsiao Chen-ying, former Mayor of Tientsin in an interview with the *Central News* Aug. 8. Gen. Hsiao who returned to Shanghai Aug. 7 from America by airplane, stated that such was the at itude of the entire people. Victory or defeat, the ex-official of North China declared, need not be seriously considered at present. The only question is that China must now safeguard its own territory. Gen. Hsiao sang high praise of the bravery of Lieut.-Gen. Chao Teng-yu, the late Commander of the 132nd Division, who paid his supreme sacrifice on the battlefield on July 29. Gen. Hsiao left for Nanking by the midnight express Aug. 8 to see Gen. Chiang Kai-shek and other high government leaders.

Gen. Chin Teh-shun, Mayor of Peiping, arrived at Nanking, Aug. 4. Representing Gen. Sung Cheh-yuan, Gen. Chin called on the high officials of the Central Government. It is reported that Gen. Chin will return to Paotingfu in a few days.

CHANG HSUEH-LIANG SAID COMING TO NANKING, YU HAN-MOU RETURNS TO CANTON

Gen. Chang Hsueh-liang, leader of the Sian incident, who has been staying in Fenghua since last December, will likely leave for Nanking shortly after the receipt of instructions of the Central Government authorities, reported *Shanghai Mainichi*, Aug. 6. It is understood that Gen. Chang will play a leading role in the anti-Japanese resistance campaign.

Gen. Yu Han-mou, Pacification Commissioner for Kwangtung, flew back to Canton at 2.20 p.m. Aug. 9 from Nanking where he had conferred with Gen. Chiang Kai-shek and other Government leaders on the present situation. The Central Government, Gen. Yu told press representatives upon his landing, is now ready for the supreme sacrifice. He also urged the people to co-operate in every way with the Central Government in their life-and-death struggle with the enemy.

SHIH YU-SHAN'S ENVOY IN NANKING, MA CHAN SHAN GOING TO NORTH

Delegated by Gen. Shih Yu-shan, commander of peace preservation corps in North Hopei, to solicit instructions from the Central authorities, Maj.-Gen. Wang Chung-pei arrived at Nanking from the front Aug. 9. Gen. Wang, interviewed by pressmen, stated tht the Paoantui under Gen. Shih were putting up a valiant fight against the Japanese at Shaho to the north of Peiping. Gen. Wang intimated that Gen. Shih would visit Nanking if the occasion requires.

Gen. Ma Chan-shan, hero of North Manchuria anti-Japanese hostilities, who went to Nanking recently, returned to Shanghai Aug. 5. Well-informed circles state that Gen. Ma will go to Nanking once again in two or three days prior to his departure for the North. In Nanking, Gen. Ma will call again on Gen. Chiang Kai-shek.

GEN. CHIANG SAID DETERMINED TO RESIST, DECLARES SALVATION LEADER

"Generalissimo Chiang Kai-shek is most determined on resistance against Japan," That was a statement made to a representative of *The China Press* by Shen Chun-ju, leader of the seven national salvationists, shortly after his interview with the Generalissimo on Aug. 4, Mr. Shen said that his interview with the Generalissimo lasted only several minutes as the latter was busy receiving mlitary leaders now assembled at the Capital. Snatching the few minutes at his disposal, Mr. Shen said that he at once assured the nation's leader that he has determined to dedicate the rest of his life to the campaign of national salvation and resistan against Japanese aggression. "Old as I am, I am willing to die for my country at any moment," the old patriot quoted himself as saying during his conversation with Generalissimo Chiang.

T. V. Soong, member of the Standing Committee of the National Economic Council, spent a busy day in Nanking Aug. 6 before returning to Shanghai by airplane. Besides conferring with General Yen Hsi-shan, Director of the Taiyuan Pacification Headquarters and concurrently Vice-President of the Military Affairs Commission; he also called on General Pai Chung-hsi, Vice-Commander-in-Chief of the 5th Route Army; and General Yu Han-mou, Pacification Commaissioner for Kwangtung and concurrently Commander-in-Chief of the 4th Route Army.

NANKING DECIDES TO EVACUATE CHINESE NATIONALS FROM JAPAN

The Chinese Government is reported to have decided to evacuate all Chinese nationals from Japan. The decision was reached recently after a joint meeting of officials of the Ministries of Foreign Affairs, Finance, Communications and Overseas Affairs Commission. It is understood that the China Merchants Steam Navigation Company will be instructed to dispatch several of its large steamers to Japan for the purpose. Concerned over the safety of the large numberof Chinese students in Japan, Dr. Wang Shih-chieh, Minister of Education, called Aug. 6 on Dr. Wang Chung-hui, Minister of Foreign Affairs, to discuss measures for their withdrawal.

Nanking has placed a ban on the export of flour in order to prevent a shortage of foodstuffs in the capital, *Central News* reported Aug. 7. In co-operation with other organs concerned, the City Government has set up a special committee to take charge of the distribution of daily necessities.

The Legislative Yuan resumed its session Aug. 6, when its Secretary-general, Liang Han-chao, made a detailed report on current important affairs. Following the report, a secret meeting was held lasting more than two hours. The law-making organ, which was originally scheduled to resume its session at the end of August, had to shorten its summer recess on account of the critical North China situation. President Sun Fo, who has definitely cancelled his contemplated trip to the South, presided over the session. Interviewed, Mr. Liang said that no bills were discussed, but views on war-time legislation with special reference to military, financial maters and measures relating to the organization of the people were exchanged among the legislators, *Central News* reports.

All government offices and educational institutions in Nanking must complete their air defense preparations before Aug. 10. Instructions to that effect were issued Aug. 8 by Gen. Chiang Kai-shek, according to *Central News*. Gen. Chien Ta-chun, Chief Aide-de-Camp to the Generalissmio, has been appointed to make a city wide inspection on Aug. 11. Any organizations, having received said instructions, are threatened with severe punishment, should they fail to complete such preparations on time, which consist mainly of the digging of cellers as hide-outs, erection of helters, replenishment of fire extinguishing apparatus, acquisition of anti-gas.

Air defense instruction is being systematically given to the populace in Sian beginning as from Aug. 7, according to a *Central News* report. Owners of buildings and houses with bright colored

roofs will be asked to repaint them, in order to safeguard the city from air raids.

Representing 70 million Chinese Mohammedans throughout the country, the leaders of the various Moslem organizations have organized an association for the support of national resistance against Japanese aggression. At a meeting they decided to send a circular appeal to the world, in different languages, asking them to sever economic relations with Japan. In a separate message to Gen. Chiang Kai-shek, and the 29th Army, the Mohammedan leaders urged that armed resistance be immediately carried out.

S. Kawaminami and Mr. Umehara, Japanese Consul-General and Consul in Kunming respectivily, and a Japanese consular officer left Kunming, Capital of Yunnan, Aug. 6, for Annam by rail on their way back to Japan. Japanese residents in Yunnan were evacuated some days ago.

Led by S. Takai, Japanese Consul in Changsha, over seventy Japanese esidents left Changsha for Hankow Aug. 4 en route to Japan. Their immovable property has been handed over to the Hunan Provincial Government for custody.

Dr. Alfred Sze, former Chinese Ambassador to the United States, arrived in Shanghai from Tsingtao Aug. 6, and is shortly leaving for Nanking to interview high government leaders.

The Panchen Lama, "Living Buddha" of Tibet, was scheduled to leave Chinghai (Kokonor) for Lhassa, capital of Tibet, on the 12th inst. He is to be accompanied by Chao Shou-yu, Special Commissioner to escort the Panchen Lama to Tibet. A part of the luggage of the Panchen Lama was transported to Tibet last month.

O. K. YUI SWORN INTO OFFICE, TSAI TING-KAI PRESENT AT CEREMONY

O. K. Yui, Mayor of Greater Shanghai, was formally sworn into office at a brief but impressive ceremony held at the auditorium of the City Government Aug. 9, Gen. Yang Hu, Garrison Commander of the Shanghai-Woosung area and C. E. C. member, administering the oath. More than 200 people attended the ceremony, prominent among them being Gen. Tsai Ting-kai.

The documents concerning the case of Liu Lu-yin, suspended member of the C. E. C., who has appealed against the sentence of 10 years' imprisonment imposed upon by the Wuchang District Court in connection with the murder of Yang Yung-tai, former Chairman of the Hupeh Provincial Government, has been forwarded to the Supreme Court by the Hupeh Provincial High Court. In appealing against the decision of the Wuchang District Court, Liu requested that the appeal be heard by the Supreme Court instead of the Hupeh Provincial High Court. Whether his request will be granted or not, will be decided by the Supreme Court after perusing the documents in the case.

DR. KUNG SECURES HUGE BRITISH LOAN, AMERICAN AND FRENCH BANKS ALSO TO SUBSCRIBE

An agreement has been reached, in principle, for the flotation of a loan to China of £20,000,000 in the London market. This is one of the results of the stay in London of Dr. H. H. Kung. Chinese Minister of Finance, according to a *Renter* report from London Aug. 4. It is understood that the proceeds of the loan would remain in London and be drawn upon by the Chinese Government as required—most probably for the conversion of China's internal loans. The loan will be secured on the reveaue of the Chinese Maritime Customs. Details of the issue have not yet been fixed. Dr. Kung will sail for home aboard the liner Scharnhorst from Genoa on August 17.

American and French banks in New York and Paris have promised to subscribe to the £20,000,000 loan which the Chinese Minister of Finance, Dr. H. H. Kung, has just secured in London with Chinese customs revenues as guarantee, *Havas* reported from Paris Aug. 7. Dr. Kung Aug. 6, had a lengthy interview with the Premier, Camille Chautemps, and then was the guest of the American Ambassador, William C. Bullitt, at luncheon. Fearing lest the Sino-Japanese conflict would cause the banks to change their minds, Dr. Kung is said to have done his best to reassure both statesmen regarding China's future so that the eventual subscribers might in turn be reassured. He came away confident that his efforts had been entirely successful. In the afternoon he saw the French Finance Minister, M. Georges Bonnet, and in the evening dined at the Exposition as guest of honour of the entertainment committee. M. Andraud, under-secretary to the Air Ministry, presided, and M. Laurent Eymac, a former Minister of Aviation and general aeronautical delegate at the Paris fair, was among the mony prominent persons in attendance. "I am extremely glad to have the sympathetic understanding of both the Premier of France and the Ambassador from the United-States," Dr. Kung said in an interview, "I am leaving Paris on Sunday evening." From here he goes to Berlin and Prague."

Dr. H. H. Kung arrived at Paris Aug. 5, from London. Interviewed in London as he entrained for Dover to take the channel boat , Dr. Kung was full of enthusiasm for his visit in Lodnon, gratitude for the cordial reception he had received from the English people. He announced that the second railway loan (of £4,000,000) was definitely concluded. Its purpose, it will be recalled, is for a new line between Pukow and Singyang, Honan. Dr. Kung stated he had exchanged documents on behalf of the Chinese Government with interested groups in Great Britain, specifying the particulars of the £20,000,000 loan for the conversion of China's internal loans announced Aug. 4. No final decision had been taken, he said, as regards the date of issue for this loan.

The City is extremely interested in the announcement that an agreement for the flotation of a loan to China of £20,000,000 has been reached in principle, according to a *Renter* reports from London Aug. 5. The moral effect of the agreement—a demonstration of confidence in China's future—is believed likeay to have a most beneficial influence. There is no doubt of the accuracy of *Reuter* information on the subject. There is also reason to believe that the United States, France and Belgium have expressed interest in the project as well as approval. Despite the warlike preparations between China and Japan, the best opinion in the City adheres to the belief that a solution will be found owing to the obviously suicidal results a declared war would have for both parties.

Most of the British newspapers give prominence to the agreement in principle for the flotation of a loan of £20,000,000 to China, but at the same time draw attention to the fact that there is no question of an immediate issue, according to a *Reuter* reports from London Aug. 6. The *Financial News* expresses the opinion that the necessary conditions for granting a loan to China cannot exist until the political situation in the Far East has been clarified. The *Financial Times* understands that the British Treasury is closely interested in the projected loan, and that it is part of the plan for the reform of China's financial and economic situation which was prepared by Sir Frederick Leith-Ross, Chief Economic Adviser to the British Government. It is thought, the journal adds, that part of the money will be devoted to the development of communications in China, which would mean considerable purchases of machinery and equipment in Great Britain.

A *Domei* report from London, Aug. 4, stated that authoritative City circles denied that Dr. H. H. Kung had concluded with British bankers an agreement for the flotation of a £20,000,000 loan. Pointing out that the present Far Eastern crisis had caused a steep fall in Chinese bonds, these informed quarters declared that the situation was sufficient to make the flotation of the recently announced railways loan was already "impossible". "Leaving the international aspect aside", a prominent banker told *Domei*," these circumstances would be sufficient to rule out any political loans." The London *Times* said: "statements regarding Chinese railway loan contracts must be regarded as representing what the Chinese authorities hope to achieve in the future. Reports of new Chinese railway loans at the present stage must be looked upon as a little premature."

CHINA DETERMINED TO RESIST FORCE WITH FORCE, DECLARES DR. KUNG

Dr. H. H. Kung, Chinese Minister of Finance, arrived in Paris Aug. 5, and issued the following statement to to the press:

"The present North China conflict, like those of Mukden in 1931, Shanghai in 1932, Jehol in 1933, Hopei, Chahar and Suiyuan in 1935 and 1936, is one of Japanese aggression for territorial expansion on the mainland of Asia. It is but another phase of the Japanese continental policy and a cherished dream particularly of the Japanese army for its hegemony in Asia and ultimate world domination. The recent withdrawal of the 19th Army rendered necessary by the misplaced trust of General. Sung Cheh-yuan in assurances of the Japanese military in North China, who, while professing the desire for a peaceful local settlement and warning General Sung against accepting Nanking assistance, carried out a series of military dispositions for a surprise attack on the 29th Army. According to reports from Tokyo and North China, incessant Japanese reinforcements are pouring into the regions of Peiping and Tientsin and serious war measures have been adopted by the Tokyo Cabinet, indicating that Japan is bent on making war. Japan is not lacking in farsighted statesmen who see the folly of resoring to force as an instrument of national policy, but these are powerless against the dominating influence of the Japanese Army. These young militaristic elements who wish to make might the arbiter of nations are almost frantic in their belief in "Japan's sacred mission' in Asia. They always seek to confront the Japanese Government and people with a *fait accompli* brought by armed aggression in utter disregard of the sanctity of treaty obligations and world opinion. To defend its sovereignty and independecne, China is determined to resist force with force. If a major conflict occurs in the Far East now, the responsibility rests with Japan as the aggressor. The issue is clearly a struggle between the forces of war and aggression, and peace and security. China longs for peaceful friendship with other countries in order to devote herself entirely to internal reconstruction which has been continually checked by Japanese aggression. If she resists the invader, she will be fighting not only for her national existence but also for the cause of justice and right in the world. I am pleased to note in Europe and America an abundance of sympathy and understanding for China's cause. This leads me to believe that while the sanctity of international treaties, such as, the Nine Power Treaty, League of Nations Covenant and the Kellogg—Briand Anti-War Pact, is seriously undermined, there remains hope for the future in the existence of sound I am confident that if the influence of world opinion is brought home to the Japanese people and responsible statesmen it may yet be able to help make their counsel prevail over the aggressive war party in Tokyo and spare Japan as well as China and probably the world at large the consequences of a major conflict."

Outstanding Events in the Month of June

1.—Conference of the Honan-Anhwei-Kiangsu Military Read—justment Committee opened at Loyang.

1.—Nanking ordered suspension of the direct air service between Tientsin and Tokyo.

1.—Japanese consular officials in North China held conference at Tsingtao.

1.—Executive Yuan decided to elevate the status of the Chinese legation in Belgium to the status of embassy.

2.—Four Japanese warships suddenly arrived at Swatow; Swatow Mayor protested against their presence.

3.—Tientsin Municipal Government dispatched representative to see the Japanese Consul-General in connection with the so-called "Holy Farm" incident.

3.—Standing Committee of the Central Executive Committee decided that the Kuomintang song should serve as the National Anthem.

4.—General Yang Hu-cheng, ex-Shensi Pacification Commissioner, accompanied by T. V. Soong, arrived at Kuling to see General Chiang Kai-shek.

5.—Liu Lu-ying, former director of the Central Publicity Council, sentenced to ten years' imprisonment for instigating the assassination of the former Chairman of Hupeh, Yang Yung-tai.

5.—Wang Ching-wei flew from Nanking to Hangchow to address the students there on the national situation.

5.—French government authorities entertained Dr. H. H. Kung, Minister of Finance, now touring Europe as China's Special Ambassador.

6.—Dr. H. H. Kung and party arrived at Brussels, Belgium, from France.

7.—Japanese warships in Swatow were withdrawn.

7.—General Yang Yu-cheng returned to Shanghai from Kuling by air.

8.—Dr. Philip Tyau, Foreign Affairs Commissioner for Kwangtung and Kwangsi, and T. Nakamura, Japanese Consul-General at Canton, met to discuss measures for the settlement of the so-called "Swatow Incident;" three Japanese wrships, which had sailed away from Swatow, again returned.

8.—Dr. H. H. Kung called on the Belgian Premier, Van Zeeland.

9.—Central Political Council appointed Dr. Tsien Tai as China's first Ambassador to Belgium.

9.—Dr. H. H. Kung arrived at Berlin from Brussels to discuss measures to further Sino-German co-operation.

10.—Nanking-Kweiyang Long Distance Telephone Service opened today.

11.—Trial of the seven leaders of the National Salvation Association opened at the Kiangsu High Court in Soochow.

13.—Tsou Ming-chu, member of the Kwangtung Provincial Government, dismissed from his office and placed under arrest on charge of manipulation of the money market.

13.—Dr. H. H. Kung was received in audience by the German Chancellor Adolf Hitler.

14.—The People's Defence Army in Northern Chahar attacked Chaoyangcheng, south of Chapser.

15.—Dr. H. H. Kung and his party arrived at Paris from Germany.

15.—Japanese gunboats again sailed to Swatow; local Chinese authorities lodged protest.

15.—Dr. Sao-ke Alfred Sze, retired Chinese Ambassador to the United Statdes, arrived back at Shanghai.

16.—Japanese Consul-General at Canton, T. Nakamura, called on General Wu Te-chen, Kwangtung Chairman, to discuss the Swatow incident.

17.—T. V. Soong, member of the Standing Committee of the National Economic Council, arrived at Hongkong to devise measures for the readjustment of the finances in Kwangtung and Kwangsi.

17.—General Liu Hsiang telegraphed to General Chiang Kai-shek, announcing his acceptance of the Government's program for military readjustment in the province.

18.—General Feng Yu-hsiang, Vice-Chairman of the Military Affairs Commission, arrived at Kuling from Nanking.

19.—Foreign Minister Dr. Wang Chung-hui explained China's attitude towards Japan in interview with Japanese newspaper men at Nanking.

19.—T. V. Soong discussed measures with Kwangtung authorities for the readjustment of the financial situation in the province.

20.—General Feng Yu-hsiang discussed the significance of the military training at Kuling.

21.—Japanese North China Garrison established a War Operations Section in its headquarters.

23.—Hsu Shih-ying called on General Chiang Kai-shek at Kuling and asked for instructions prior to returning to his post in Tokyo.

23.—The People's Defence Army in Northern Chahar launched an attack on the "irregulars" in Shangtu.

25.—The Legislative Yuan passed the National General Budget Estimates for the fiscal year of 1937-1938.

25.—Trial of the Seven leaders of the National Salvation Association resumed at the Kiangsu High Court in Soochow.

25.—Japanese Ambassador to China, S. Kawagoe, left Tokyo for China to return to his post. He declared that *Status Quo* would be maintained in North China.

26.—General Li Tsung-jen flew from Kwangsi to Canton to confer with T. V. Soong on measures for the readjustment of the currency situation in Kwangsi.

28.—General Chiang Kai-shek issued statement, urging students to do rural work during the summer vacation.

28.—Chairman Lin Sen of the National Government arrived at Kuling from Nanking for the Summer vacation.

28.—Dr. H. H. Kung called the U.S. Secretary of State, Cordell Hull, at Washington.

29.—The Japanese Ambassador, S. Kawagoe, arrived at Shanghai from Japan, bringing with him instructions from the Tokyo Foreign Office.

29.—General Ho Ying-chin, Minister of War, was appointed Chairman and General Ku Chu-tung Vice-Chairman of the Szechwan-Sikong Military Readjustment Commission.

29.—T. V. Soong flew from Canton to Kweilin, Capital of Kwangsi.

29.—Dr. H. H. Kung was received in audience by President Franklin D. Roosevelt at Washington. Dr. Kung declared that China welcomes foreign capital investment.

30.—The National Government made public the National General Budget Estimates for the fiscal year of 1937-1938.

30.—Foreign Minister Dr. Wang Chung-hui gave a rad'o broadcast speech to the American audience, outlining China's progress during recent years.

Spies and Traitors Are Executed in Various Parts of China

Four Chinese "traitors" were executed in Hankow, Aug. 3, by order of the Generalissimo's Provisional Headquarters on charges of being engaged in smuggling.

Six Chinese "traitors" who attempted to blow up the Yellow River steel bridge of the Peiping-Hankow Railway have been arrested and executed by the military authorities at Sinsiang, north Honan, a message from Chengchow Aug. 9 stated.

Chin Hsing-fu, a Chinese spy in the employ of the Japanese military, was executed by order of the Tientsin-Pukow Railway Garrison Headquarters at Hsuchow, Aug. 9. Chin, a young man of 27, and a native of Nansiang, was arrested by the local authorities while collecting military information along the Tientsin-Pukow Railway. He had subsequently confessed his crime.

Executive Yuan Approves Estimate for Narcotic Drug Consumption

A list of the estimated amount of narcotic drugs required for the 27th Year of the Republic of China (1938) was approved by the Executive Yuan Aug. 3, in accordance with the joint report of General Chiang Tso-pin, Minister of Interior, Dr. Wang Chung-hui, Minister of Foreign Affairs, Dr. H. H. Kung, Minister of Finance, and Dr. J. Heng Liu, Director of the National Health Administration.

Pastor Hensley Gives Encouraging Message to Chinese People

"If war should be unavoidable let us not be discouraged no matter how many temporary defeats we may suffer in the beginning. We might have to withdraw into the interior, but China will never be conquered by her enemies."

This assuring message was broadcast to the people by Carl Marvin Hensley, the first American pastor to have become a naturalized Chinese, over a recent nation-wide radio hook-up from Nanking.

Spanish Loyalists Send Encouragement to China

In Moscow's news broadcast Aug. 1 it was stated that a telegram has been sent by the Spanish loyalists to the Chinese Army in North China congratulating them on their stand and wishing them success and victory.

Extremely Tense Situation Prevails as Japanese Continue to Pour Troops into North China

THE principal feature of the week's events in China was the extreme tenseness evident everywhere. Reports from Japan indicate that an immense army several hundred thousand strong, equipped with the latest in the way of death-dealing apparatus and transportation, is being sent to China.

Holiday visitors returning from Japan report that the whole country is in the throes of a war psychology. It is generally understood that half a million men have been mobilized for operations in China. Every railway station is crowded with departing soldiers and their relatives who have come to see them off. Foreigners are subject to constant questioning at railway junctions and on trains. The details asked for are often of the minutest character, even down to the maiden name of one's mother and the given name of one's father, the idea, evidently, being to check up on the truthfulness of information given on some previous occasion. The visitor who remains for several weeks may be pounced on for questioning probably a dozen times.

In Shanghai ordinary business transactions, except such as have some connection with warfare, are practically at a standstill, as no one wishes to commit himself until there are some indications as to what is going to happen. There have been successive waves of refugees from Chapei and the outskirts of Hongkew to the International and French areas, and while these refugees may have been the victims of rumor mongers, there is considerable evidence that an outbreak of hostilities in this neighborhood may be very close at hand. Japanese sentries on the extension of Yangtszepoo Road, beyond Settlement limits, stop all vehicle or pedestrian movement at night; even common seamen have been prevented from reaching their ships. Should hostilities commence one of the first Japanese objectives will probably be the newly-built Jukong wharf.

The possibility of hostilities in this area was greatly increased by a demand made by the Japanese authorities upon Mayor O. K. Yui Aug. 12 that the Peace Preservation Corps should be withdrawn. The Mayor replied that so-called Shanghai Truce had been violated by the Japanese and the presence of the Corps was necessary for defence.

During the week upwards of thirty units of the Japanese Third Fleet arrived here, bringing heavy reinforcements for the Landing Party, which has been increased from 5,000 to 9,000 men.

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A Chinese View of Japanese Military Strategy

A military observer, writing in the Shanghai *Hsin Min Pao*, ventures the following, prediciti on as to Japan's future military movements.—"Part of the invaders will swoop down along the Tientsin-Pukow Railway to take Tsangchow and Tungkwang, where they will be within striking distance of Shantung. Another column will push southward along the Peiping-Hankow Railway with Paoting and Shihchiachwang as their immediate objectives. From Shihchiachwang, they will follow the Cheng-Tai Railway and will attempt to capture Huolu, Chinghsiang and the Niangtze Pass. This will put them right on the border of Shansi. Simultaneously, they will proceed farther south from Shihchiachwang along the Peiping-Hankow Railway to take Neichiu, Hsingtai and possibly Tzehsien, on the Hopei-Honan border.

"With Hopei thus in their bag, the Japanese military will marshal a third flank unit to snatch the south Chahar districts along the Peiping-Suiyuan Railway. From Kalgan, they will move westward to take Tsaikoupao, where they will be within easy reach of the Shansi-Suiyuan borders. If such sinister designs of the Japanese military are accomplished, their commanding position in the Peiping-Tientsin area will be hard to challenge."

As soon as all preparations are completed, Japanese troops will push southward with Paoting on the Peiping-Hankow Railway and Tsangchow on the Tientsin-Pukow Railway as their objectives, *Central News* stated Aug. 5. This southward thrust is expected to be synchronized with a northward drive along the Peiping-Suiyuan Railway to attack Nankow Pass and also Suiyuan from North Chahar.

Japanese Build Strong Defences Along Yungting River

The Japanese troops are building strong defence lines along the Yungting river for the purpose of holding the Japanese positions on the Peiping-Hankow and Tientsin-Pukow Railway lines, the *Lih Pao* of Aug. 7 stated.

Two Additional Japanese Divisions on Way to China

Two additional Japanese divisions, the 14th and 16th Division, have been called up for service in China. Meantime, more than 100 Japanese steamers have been mobilized for the transportation of ammunition and other supplies from Japan to China.

15,000 Additional Japanese Troops Arrive in Tientsin

Another 15,000 Japanese troops arrived in Tientsin during last week, bringing the total of Japanese troops in North China to 54,000 men.

General Sagaki Arrives in Tientsin—Major Hostilities Foreshadowed

Heralding the commencement of major hostilities in North China, Major-General Sagaki, Chief of Staff of the Kwantung Army, has arrived in Tientsin, according to information received in Nanking, Aug. 10. His 5th Division is due to arrive in North China early next week.

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General Feng Chih-an Now at Head of 29th Army

In a circular telegram to the Central Government, various public bodies and the press throughout the whole country, General Sung Cheh-yuan, Commander-in-Chief of the 29th Army, Aug. 5 announced that he had appointed, with the approval of the central authorities, General Feng Chih-an, Commander of the 37th Division, to take charge of the affairs of the whole army.

Japanese Say Nanking Government Is Forming War Cabinet

Preparations for the formation of a War Cabinet, with the participation of Communist and Front Populaire representatives, were reported in Japanese press Aug. 6. A virtual declaration of war against Japan will shortly be issued by the Chinese Government, the Nanking correspondent of the Tokyo *Asahi*. declared. Commenting on "Gen. Chiang Kai-shek's dilemma," the *Asahi* declared that whatever stand is assumed by the Generalissimo, the Communists appear to be the only gainers.

Chinese Troops Converging on Tientsin-Peiping Area

Continued converging of the Central Government's troops upon the Peiping-Tientsin area was reported to the Tokyo War Office Aug. 5. The Chinese troops, the reports said, were advancing along the Tientsin-Pukow, Peiping-Hankow and Peiping-Suiyuan Railways.

Shanghai Association Prepares for Collection of Metal Goods

A set of measures for the collection of metal goods in time of war has been promulgated by the All-Shanghai Association for the Support of Armed Resistance. According to the measures, metal goods to be gathered include silver and gold ores; foreign coins; gold, silver and steel ornaments and articles; steel plates, bars and all other metal articles good for military use. A number of banks, stores and organizations have been designated for the collection of these metallic articles.

Shansi National Salvation Union Organizes Intensive Resistance Campaign

The National Salvation Sacrifice Union of Shansi, which is operating under the support of Liang Hwa-tse, Secretary to General Yen Hsi-shen, has as its main objects: (1) A resistance campaign against the Japanese; and (2) restoration of the lost territory.

Following the outbreak of the new trouble in North China, members of the Union have been ordered to intensify their work, which may be classified as follows:-

(1) The collection of about 1,000,000 coins to finance the resistance campaign against the Japanese aggressor,

(2) The training of a dare-to-die corps and a guerilla warfare unit.

(3) The intensification of anti-Japanese propaganda in the interior districts.

(4) The commencement of an anti-traitor movement. (Prizes will be given to those who effect the apprehension of spies and traitors.)

100,000 Chinese Attend Mammoth "National Resistance" Meeting in Chengtu

One hundred thousand people in Chengtu held a monster public meeting and parade Aug. 7 in support of national resistance against Japanese aggression.

Japanese Says Chinese Red Armies Proceed to the Front by Way of Shansi and Suiyuan

A formal permit has been issued by the National Government in Nanking permitting the Chinese red armies to go to the front to fight against the Japanese by way of Shansi and Suiyuan provinces, as a result of repeated negotiations between Chow En-lai and Gen. Chiang Kai-shek, the Shanghai *Nippo* of Aug. 5 stated.

Chinese Government Seat May Be Moved to Kuling, Japanese Correspondent Reports

Transfer of the seat of the Central Government to Kuling or Kiukiang should Nanking be endangered by new developments, was predicted Aug. 6 by the Nanking correspondent of the Tokyo *Asahi*.

Chiang Orders Nanking Forces to Launch Counter-Attack

The Nanking Government has recently ordered the Central Government Forces to advance towards Hopei by the Pinghan, Tsinpu, and Pingsui lines, and an enveloping campaign with about 100,000 men is now being extended around the Japanese troops in Peiping and Tientsin, the *Shanghai Nippo* of Aug. 8 stated.

Japanese Says Greater Shanghai Municipal Government Prepares for War

The *Shanghai Mainichi* Aug. 10 stated that the Greater Shanghai, Municipal Government is preparing for the utilization of the buses in Shanghai for war purposes. All buses on the highway from Wusih to Shanghai are being subjected to inspection by the local authorities with that end in view.

China Must Declare War," Says Tsou Lu

In a message to General Chiang Kai-shek from Canton July 31, Tsou Lu, veteran and influential Kuomintang member, urged that China should immediately declared war on Japan.

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Japanese Stage Huge Military Display at Peiping

Peiping was thrown into great apprehension last Sunday when large numbers of Japanese soldiers entered the city and detailed patrols to "maintain peace and order," according to a dispatch from the old capital appearing in the *Lih Pao*.

Several thousand Japanese troops entered the ancient capital in the morning from three gates, namely, the Chihuamen, Yungtingmen and Kwanganmen. They were said to have come from Tungchow, Nanyuan, Fengtai and other points in the Peiping-Tientsin area, and intended to stay for "one or two days" before leaving the city.

From 2,000 to 3,000 Japanese soldiers entered Peiping City, Aug. 8. The *Lih Pao* stated that the Japanese military authorities had issued a public order declaring that Peiping has been occupied by Japan and that those who obey Japanese laws will be duly protected.

Peiping, the old capital of China for over 600 years, is now garrisoned by 300 Japanese soldiers who incessantly patrol in and out the City Wall, according to a Peiping dispatch appearing in the *Sin Wen Pao* Aug. 5.

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Kiangsi Province Supports Government in Campaign of Resistance

Under the direction of the Kiangsi Provincial Party Headquarters, active preparations for supporting the Government in the campaign of resistance against Japanese invasion are being made by the people of Kiangsi, a recent telegram from Nanchang stated.

Amoy Landlords Contribute to War Chest

Landlords of Amoy have voluntarily contributed one month's rentals to the Government to augment its war chest. Under the auspices of the Foochow Association for supporting resistance against Japanese aggression, 71 units have been organized to solicit public contributions for the same purpose.

The Chinese colony in San Pablo, Laguna Province, Phippines have decided to contribute 50,000 pesos immediately to Nanking's war chest. They intend to make further monthly contributions of 20,000 pesos from September 1.

Six Provincial Banks to Contribute $10,000 to "War Chest"

A total of $10,000 will be contributed toward the support of Chinese soldiers fighting against the Japanese in North China by staff members of the provincial banks of Kiangsu, Chekiang, Anhwei, Kiangsi, Honan and Fukien, a telegram from Nanchang Aug. 7, stated.

Association in Hankow Formed to Collect Funds

An association to solicit contributions from the people to support the resistance against the enemy was formally inaugurated in Hankow Aug. 8. The Miscellaneous Foodstuffs Merchants Guild has decided to voluntarily impose a National Salvation Levy of one cent per package of foodstuffs sold. The proceeds will be turned over to the Government to augment the war chest.

Multifarious Patriotic Activities Started in Nanking

With the imminence of major Sino-Japanese hostilities multifarious patriotic activities have been started in Nanking in aid of the defenders of Chinese territory.

Under the sponsorship of the Nanking Anti-Aggression Association a city-wide campaign for war contributions is being planned. All schools, newspaper offices, trade unions and other public bodies have been asked by the Association to organize canvassing corps.

Canton Women Launch Wartime Savings Campaign

A wartime savings campaign has been launched by 100,000 members of the Kwangtung Branch of the Chinese Women's Society.

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Japanese Report Heavy Chinese Troop Concentrations in Chahar and Shansi

Heavy Chinese Central Army concentrations in southern Chahar and Shansi were reported in military intelligence dispatches reaching Japanese headquarters in Tientsin Aug. 8. Spread along a northwesterly arc, following the Chahar border with Hopei and Jehol were said to be troops belonging to the 89th Division. Their main points of concentration were reported as Hwalai, on the Peiping-Suiyuan railway about 50 miles west of Nankow Pass, Yenking, on the Great Wall, and Yungning, closer to the Jehol frontier.

Further to the north at Lungkwan and Chihcheng were reported to be forces of the 84th Division, while the 143rd Division was said to be concentrated at Suanhua of the Peiping-Suiyuan railway and Kalgan. These movements, the Japanese military authorities contended, constituted a violation of the agreement for the demilitarization of areas adjoining Manchukuo concluded between Gen. Chin Teh-chun, former mayor of Peiping, and Major-Gen. Kenji Doihara, former chief of the special service division of the Kwantung Army.

Chinese Defence Forces in Suiyuan Strengthened

The Chinese forces along the Peiping-Suiyuan Railway and in the eastern and northern parts of Suiyuan have been greatly strengthened by fresh reinforcements, a message from Kweihua Aug. 6. stated.

Japanese Bombard Troop Trains in Chahar

A *Domei* message from Tientsin Aug. 4 stated that heavy losses had been sustained by the Chinese 184th Division as a result of the Japanese aerial bombardment of Chinese troop trains in Chahar several days previously.

Japanese Launch Strong Attack on Nankow

A fierce attack on Nankow, strategic pass at the Great Wall on the Hopei-Charhar border, was launched by 1,000 Japanese troops Aug. 9. Despite heavy artillery fire by the enemy, the Chinese defence works remained intact. The attack was successfully repulsed by units of the 143rd Division under Lieut.-General Liu Ju-ming, Chairman of the Charhar Provincial Government, and other Government forces.

Large scale hostilities are expected to break out shortly at Nankow Pass, 40 miles northwest of Peiping on the Peiping-Suiyuan Railway, where more than 4,000 Japanese troops, coming from Peiping and Kupeikou, are concentrated ready to launch an attack on the Chinese positions.

Chinese and Japanese troops are facing each other at Nankow, the strategic pass at the Great Wall on the Hopei-Chahar Border. Japanese airplanes during the week continue reconnoitering over Kangchuang, on the Peiping-Suiyuan Railway in southern Chahar.

Japanese airplanes made three raids on the Peiping-Suiyuan Railway Aug. 4.

Mongol Irregulars Prepared to Renew Attack on Suiyuan

Mongol irregulars and bandits in northern Chahar have become more restive every day. They are now erecting strong defence works in Shangtu and other districts, apparently for the purpose of attacking Suiyuan, according to *Central News* messages.

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Tension Increases in North China as Japan Pours in More Troops

Tension in North China increased this week as a result of reports that an unceasing stream of Japanese troops is pouring into the Peiping and Tientsin area.

More than 10,000 refugees who had fled into the First Special Administrative Area, comprising the former German concession at Tientsin, are returning to their homes, passing through the various foreign concessions.

4,000 Chinese Workers in Tobacco Factory Killed

Most of the 4,000 workers of a certain foreign tobacco factory in Tientsin were killed by a fierce Japanese artillery bombardment

Aug. 3. It is said that the Japanese suspected that Chinese Paoantui were hiding themselves in the factory, the *Sin Wen Pao* of Aug. 5 stated.

Japanese Armed Forces May Now Pass Foreign Areas in Tientsin

After a conference between the foreign commandants in Tientsin, Aug. 5 the Japanese military spokesman announced the removal of the special restrictions on the passage of armed forces through the foreign areas. The Japanese military now again enjoy the customary facilities, subject to previous notice.

With street-cars running and all restrictions on traffic lifted by all Concessions, conditions have became virtually normal in Tientsin. Liu Yu-shu, director of the Police in the Peace Maintenance Society, has established his headquarters in the mansion of the late Marshal Yuan Shih-kai in the former Austrian Concession. The release of 1,000 bags of flour from the British Concession and of 4,200 bags of Saigon rice from the French area, helped to alleviate the food situation.

Chinese "Awakening" Asked for by Japanese Press

The "awakening" of China to the realities of the present situation was urged in editorials published by the *Shanghai Nippo* and the *Shanghai Mainichi* Aug. 5. "The massacre of Japanese at Tungchow," the Nippo declared, "has shown that China is a barbaric state. Japan should rise and enlighten the Chinese people and thus bring the Nanking Government to its senses."

Kwantung Army Sends Spies to Lunghai and Pinhan Railways

Under the support of the Japanese Kwantung Army, spies are now extremely active in various points along the Lunghai and the Peiping-Hankow Railways as well as Haichow and Hsuchow in Kiangsu Province, the *Shun Pao* of Aug. 6 stated. A large number of these spies were recently arrested in Anyang, Tangying, Hsinhsien, Chengchow and Hsuchang along the Peiping-Hankow Railway, while on the Lunghai line arrests were also made in the districts of Tungkwan, Shanchu and Meinan.

Chinese and Japanese Forces Pitched on Opposing Sides of Canal

Following a sanguinary artillery duel Aug. 9 the situation at the front south of Tientsin along the Tientsin-Pukow Railway became comparatively quiet the following day with Chinese and Japanese forces firmly entrenched in their respective positions.

250 East Hopei Militiamen Reported Wiped Out

The Nara detachment, states the Peiping correspondent of the *Asahi Shimbun*, has come into contact and annihilated 250 East Hopei militiamen believed to have participated in the recent massacre of Japanese and Koreans at Tungchow.

More Japanese Warships Arrive at Swatow

Further enhancing the tension in Swatow, two more Japanese warships arrived there Aug. 3.

Nakamura Files Protest with Wu Teh-chen

A strong protest against the anti-Japanese movement in Kwangtung province was lodged Aug. 5, by Consul-General Toyoichi Nakamura with Gen. Wu Teh-chen, Chairman of the Kwangtung Provincial Government. The Japanese official suggested during the two-hour interview that the current exodus of Japanese residents from Kwangtung was caused by the wave of anti-Nipponism.

Amoy Quiet, Britishers to Remain

Despite a crop of rumors to the contrary, the situation at Amoy continues to be quiet. A. J. Martin, the British Consul, has advised British nationals there to remain.

White Russians Prohibited from Entering Kwangtung Province

An order strictly prohibiting the entry of White Russians into Kwangtung province has been issued by the Kwangtung Provincial Government. The action is taken as a result of the arrest of a White Russian spy at Saikong, who was found with military maps in his possession.

One Month's Japanese Casualties Exceed 1,200 —Over Half Occurred at Nanyuan

Japanese casualties in North China up to Aug. 3 totalled 1,239 officers and men, of whom 364 lost their lives, the Tokyo War Ministry announced Aug. 5.

Of the 875 wounded men, 60 were officers, 739 privates. The heaviest losses were borne by Lieut.-Gen. Bunzaburo Kawagishi's detachment, which led the attack on Nanyuan. The casualties in the unit numbered 616, of whom 177 lost their lives. Of the dead, 18 were officers, 20 N.C.O.'s and 139 privates.

Major-Gen. Kawabe's detachment lost 290 officers and men, of whom 86 men, including seven officers and 10 N.C.O.'s, lost their lives.

Tsingtao Municipal Government Protests Against Japanese "Volunteer" Patrols

A strong protest against the patrolling of Tsingtao city by squads of armed Japanese "volunteers" at night was lodged by the Tsingtao Municipal Government with the Japanese Consular authorities Aug. 7. It was pointed out that as the local authorities are doing their utmost to protect foreign residents and maintain local peace and order, it was unnecessary for the Japanese to adopt such provocative measures.

One regiment of Japanese troops arrived in Tsingtao, Aug. 3. Meanwhile large numbers of Japanese are evacuating Shantung.

Gen. Han Fu-chu, Governor of Shantung, is "still friendly to Japan," and pledged to protect Japanese lives and property in his province, a spokesman of the Gaimusho stated in Tokyo, Aug. 4.

Tientsin Dailies Suspend Publication

Two newspapers and one news agency, all Chinese-owned, suspended business in Tientsin Aug. 4. Included was the *Ta Kung Pao*, founded in 1902. In a printed announcement the daily declared that it was unable to continue publication "under the present circumstances." "For the time being," it added, it would publish only in Shanghai. The southern edition was started about a year ago.

The Tientsin *Evening Post*, a Chinese-owned English language daily, only a few months old, also went out of existence.

Central News, the official Chinese Government service, closed its Tientsin bureau.

Nanking Youths Encouraged to Take Part in War-Time Service

Taking the lead in mobilizing the nation's youth in the face of the present Sino-Japanese hostilities the Nanking Boy Scouts Association is rallying boy scouts and girl guides for war-time service. Detailed measures in this connection were discussed at an emergency meeting of the executive committee of the Association on Aug. 2.

Student Orators Preach Patriotism in Streets of Nanking

Student orators this week toured the streets of Nanking to whip up the sentiments of the people. The Association for the Encouragement of Resistance to the Enemy Aug. 5 announced that all receipts of hotels, restaurants, motion picture theaters and other places of amusement would be taxed for a period of three months to provide war funds.

Peiping Schools to Be Moved to Nanchang and Kuling

Several universities in Peiping and Tientsin, with the assistance of the Ministry of Education will be moved to Nanchang and Kuling for the fall semester. The Nankai University in Tientsin, which was completely destroyed by the Japanese, will open classes in Nanking next semester. Dr. Chang Po-ling, President of the institution, is arranging for the location of a new campus.

Japanese Tungwen "Spy College" Delays Opening of Fall Term

Because of the present tense Sino-Japanese relations, Tungwen College, Japanese institution on Hungjao Road, has indefinitely postponed the opening of its fall term, the school authorities announced this week.

Tokyo Predicts Major Hostilities About to Break Out in China

A *Reuter* message from Tokyo, Aug. 8 said that events since the Lukouchiao incident on July 7 had aggravated the Sino-Japanese situation and accentuated forebodings of a major and probably of a long-drawn-out struggle. Observers in Tokyo expected hostilities to be reopened in the course of the present week now that the Japanese communities in the Yangtsze Valley have been evacuated and Sino-Japanese relations virtually severed.

Details of China's Huge Air Force Via Singapore

The Singapore *Hsin Tsun Jih Pao*, Aug. 2 stated that up to July 31, the Central Government had 850 fighting planes in addition to the 80 planes possessed by provincial authorities.

Japanese Planes Reconnoitre in Honan and Kiangsu

Japanese airplanes appeared over Taokow, Yangwu, Chengchow, Anyang (Changteh) and Hweihsien, northern Honan, Aug. 3, reports from Kaifeng stated. A Haichow message stated that 8 Japanese airplanes circled over Haichow, north-eastern Kiangsu, early in the morning.

Japanese Evacuate Hankow Concession—Chinese Police in Control

The Japanese Concession at Hankow has, for the time being at least, been turned over completely to Chinese jurisdiction. Every Japanese in the Concession, including Consular officials, has been evacuated. This is in accordance with an understanding reached end of last week between the Japanese Consulate-General and the Hankow Municipal Government. Chinese police are now in control of the Concession for the first time since the Concession was founded almost 40 years ago.

Previous to Aug. 7 a tense situation had existed in the river port owing to the sudden declaration of a state of emergency by the Japanese. Marines from the 11th Japanese Flotilla had landed at the Concession and beg n the erection of defence works. The reservists were also mobilized. Simultaneously the Chinese troops dug themselves in in the vicinity of the Concession and for a time it appeared as though a clash was imminent. The Japanese detachments were hopelessly outnumbered and if hostilities had broken out probably every Japanese in the place would have been slaughtered.

On the spur of the moment the Tokyo Foreign Office ordered the evacuation of the Japanese Concession in Hankow with the announced desire of preventing the outbreak of an incident that would aggravate the general situation. Tokyo officials emphatically denied the reports that the Japanese Concession is being officially handed over to the Chinese authorities. What really happened, they explained, was that the Chinese authorities were requested by the Japanese Consulate-General in Hankow to give assurances regarding the security of Japanese property in the Concession. The Japanese evacuation included the withdrawal of the gunboat flotilla down the river.

This action followed increased tension at the river port. Previously the marine patrols in the Japanese Concession had strengthened the sandbag barricades which had been built across roads facing the Chinese area, while heavily-manned Japanese armored-cars patrolled the streets or were posted in readiness throughout the Concession. In the Chinese area, Chinese troops were posted in readiness behind the recently constructed sandbag barricades and in the concrete pill-boxes at the road intersections near the Japanese Concession. The last batch of Japanese women and children, totalling 400, left the port Aug. 6.

Over 1,000 Japanese marines departed from the river port Aug. 8 in three Japanese war vessels. Fifty Chinese policemen immediately entered the Japanese Concession to give protection to the Japanese Consulate-General.

The Japanese marines removed all military equipment from the Concession to the other remaining Japanese gunboats; all members of the Japanese Naval Landing Party were also evacuated. With the later departure of these three gunboats, there were no Japanese gunboats left in the upper reaches of the Yangtsze. The machine-guns, anti-aircraft guns and cannon mounted on housetops in the Japanese Concession by the Japanese Naval Landing Party were also removed.

Escorted most of the way down the Yangtsze by five Japanese warships, the ss. *Fengyang Maru* arrived in Shanghai Aug. 9 bringing with her hundreds of Japanese refugees from Hankow and oth r up-river towns.

The complete evacuation of Japanese nationals from Hankow was accomplished Aug. 11 when the remaining local and up-river Consular police, left the port.

Japanese investments in Hankow were placed by the *Shanghai Mainichi* at Yen 45,000,000. The Japanese population of the Yangtsze port in normal times, according to the daily, reaches 1,700, but in recent weeks it had been greatly reduced.

With the withdrawal of the Japanese from Hankow the only Concession there remaining in foreign hands is the French Concession. The first Concession to be established was the British, which dated from 1861. The British Concession was handed back to the Chinese by the Chen-O'Malley Agreement in February 1927, after it had been seized by force by a Chinese mob during the previous month. Concessions held by Germany and Russia disappeared as a result of the World War. The Japanese Concession dates from 1898 (extended in 1906) and has an area of about 32 acres. It was administered on the same plan as such foreign concessions usually have been, with a Municipal Council composed entirely of nationals of the country holding the concession. The China Year Book of 1936 gave the population of the Japanese Concession at Hankow as: Foreign (mostly Japanese), 1,866; Chinese, 3,948.

Japanese Women and Children Leave Lungkow

All Japanese women and children living in Lungkow, on the north coast of Shantung, have evacuated. Lungkow is situated 75 miles west of Chefoo.

Japanese Residents in Amoy Asked to Evacuate

Two hundred Japanese residents in Amoy have received orders to be prepared for evacuation at any moment.

Japanese Residents Evacuate Changsha

Led by S. Takai, Japanese Consul, over seventy Japanese residents left Changsha for Hankow Aug. 5, en route to Japan. Their immovable property was handed over to the Hunan Provincial Government for custody.

Last Six Japanese in Nanking Are Evacuated

Six Japanese, the only remaining Nipponese residents of Nanking outside of officials and newspapermen, departed for Shanghai, Aug. 8.

Japanese Evacuate Canton, Following Temporary Contretemps

With Chinese servants and other employees refusing to work, the evacuation of 160 Japanese women and children from Canton during this week hit a temporary snag.

This situation compelled the Japanese Residents' Corporation to hire lighters to transport the household articles of the refugees. Most of them were scheduled to leave on the s.s. *Fuksn Maru* sailing from Canton Aug. 10 and on the m.v. *Tatsuta Maru* leaving Hongkong on Aug. 12.

Japanese Consul-General in Kunming Leaves

S. Kawaminami and Mr. Umehara, Japanese Consul-General and Consul in Kunming respectively, and a Japanese consular officer departed from said city Aug. 7 for Annam by rail on their way back to Japan. Japanese residents in Yunnan were evacuated some days previously.

Americans Advised to Evacuate Railway Regions

All American nationals residing along the Tientsin-Pukow and Peiping-Hankow Railways and regions between the two lines to the north of the Yellow River have been advised by Paul R. Josselyn, United States Consul-General in Hankow to move to places of safety.

American Residents of Nanking Not to Be Evacuated

Reports alleging that the American residents in Nanking would be evacuated to Shanghai were denied by George Atcheson, Second Secretary of the American Embassy, in an interview Aug. 7.

CHINESE REPORTS ON WAR

Chinese Troops Repulse Japanese Assault at Chinghai

A *Central News* message from Hsuchow, Aug. 8, stated that a two-hour clash had occurred at Chinghai, midway between Machang and Yangliuching on the Tientsin-Pukow Railway, before one company of Japanese cavalry and Chinese forces.

Japanese cavalry troops, the dispatch stated, launched a surprise attack on Chinghai in the morning, but after two hours of engagement with the Chinese defenders, retreated to the north.

Following the capture of Liangsiang city, 68 miles north of Paoting, the vanguards of the Chinese troops advanced Aug. 6 on the Peiping-Hankow Railway to Nankangwa station, 3 miles north of Liangsiang. Repairs to the damaged telegraph and telephone lines between Liuliho and Kiangsiang are being effected.

Reports of Chinese Victory at Touliucheng Prove to Be Unfounded

The Nanking *Tsao Pao* and other Chinese newspapers Aug. 6 reported a victory for the Chinese troops at Touliucheng, south of Tientsin along the Tientsin-Pukow Railway the previous night, but later telegrams showed that the messages announcing the victory were not true.

Prominent Chinese Journal Doubts Practicability of Foreign Mediation

The report circulated by the *Tass News Agency* to the effect that Great Britain has suggested to Germany and Italy to jointly mediate in the Sino-Japanese conflict was received coolly by the *China Times* in commenting on the subject Aug. 4. "Mere mediation," the daily opined, "will not put an end to the aggressive desires of Japan. Unless by placing the brake on her imperialistic ambitions, there is no room to mediate."

Japanese Carrying Out Tanaka Plan, Says Wellington Koo

The present Sino-Japanese trouble in China is one more step in carrying out the famous Tanaka plan, the Chinese Ambassador, Dr. V. K. Wellington Koo, declared in an interesting interview in Par s *L'Intransigeant* Aug. 5. Japan casts an envious eye upon the mining resources and agricultural lands of North China, he said. The Amur River incident of some weeks ago was merely staged to test what Soviet Russia's reaction would be to Japanese aggression in this area. He urged the western powers to intervene and stop Japan from what might be a serious threat to the peace of the entire world.

Little Hope for Peace Negotiations, "Shun Pao" Believes

The Shanghai *Shun Pao* Aug. 10 editorially found little hope in Japanese Ambassador Kawagoe's reportedly forthcoming negotiations with the Central Government for the settlement of the North China problem. "In fact, we do not, and must not, entertain any great hope in regard to these parleys," the journal declared. "Under the threat of military force, there is no room for negotiations."

Good-Will Visit of American Warships to Japan Indefinitely Postponed

The good-will visit of four United States warships to Japan has been postponed indefinitely, a telegram from Washington Aug. 9, stated, No reason was given, but it is understood that the decision was actuated by a desire to keep the vessels near Peiping and Tientsin in the event that it is necessary to protect American interests.

U.S.A. to Build Two More Battleships

It was officially announced in Washington, Aug. 4, that the Navy Department will ask Congress at the next session for funds to build two new battle ships and two light cruisers, the objective being to build up to the limit of the old London Naval Treaty and then to follow a program of replacement as vessels become over age.

Investigation into U.S. Government's Silver Purchasing Program Demanded by Senator Townsend

A sweeping investigation into the Government's silver purchasing program was proposed Aug. 4 by Senator John G. Townsend, Jr,. Republican from Delaware.

Such a step was necessary, declared the Senator, "in order to get to the bottom of scandalous charges, including alleged collusion between international silver speculators and the United States government, which had permitted holders of silver to escape the 50 per cent tax on speculative profits." In addition, Senator Townsend has offered a bill for the repeal of the Silver Purchases Act as well as the President's authority to change the value of silver money.

37 Nations Approve Secretary Hull's Foreign Policy Statement

General approval of the statement issued by Cordell Hull U. S. Secretary of State, on July 17—advocating, among other things, the faithful observance of international treaties and non-interference in the internal affairs of other nations—was expressed in replies received from 37 nations, including Great Britain, France and Russia, according to an announcement in Washington Aug. 9.

Replies, however, had not been received from Germany, Italy, Japan, China and Spain, which is noteworthy since Mr. Hull's declaration was construed as particularly applying to the Sino-Japanese and Spanish conflicts.

"American Friends" Urge China to Resist Foreign Aggression

"American Friends of China" and Chinese residents in New York City jointly urged the Chinese Government to resist foreign aggression, in a wire received in Nanking Aug. 10. The telegram was addressed to Lin Sen, Gen. Chiang Kai-shek, and Madame Sun Yat-sen, widow of the Founder of the Chinese Republic.

The wire stated that at a meeting held in New York on Aug. 4, they had decided that the Chinese Government be requested to immediately mobilize her armed forces to safeguard China's territorial and sovereign integrity.

"Izvestia" Sees Japan Invading Britian's Sphere of Influence

Moscow *Izvestia* Aug. 5 commented:—"Among the ruling circles of the world powers, especially in England, there are such as hoped that the development of Japanese aggression in North China would follow another direction, and that the development of Japanese expansion in the direction of Central, Southern China and the Pacific Ocean would be removed from the agenda, at least, temporarily. Recent development of events shows with full clarity that such hopes are entirely groundless. Not seeing real opposition on the part of the U.S.A. and Britain, and having felt through bitter experience all the difficulties connected with an 'other direction,' the Japanese proceed along the line of least resistance further into the interior of China. The Japanese are preparing large-scale provocations in Central and Southern China, directly within Britain's sphere of influence.

Moscow *Pravda* Aug. 4 commented:—"The results of British toleration of Fascist Germany are seen in the ever-growing armaments of this aggressor, in whom London is cultivating a second, none the less, dangerous rival."

Washington Observers Say that If China Surrenders North China Will Be Wiped Off the Map

Competent observers in Washington believe that Japan's appetite for territorial conquest is insatiable, and if China again surrenders now, North China will no doubt be wiped off her map, making room for further aggression.

Miracle Only Can Prevent War, Says "Japan Advertiser"

"Little short of a miracle can now prevent the outbreak of a major conflict" in China, the *Japan Advertiser*, American-owned daily newspaper said in Tokyo Aug. 5.

London "Times" Says It Seems Certain Status Quo Will Not Be Restored

It now seems certain that the status quo in North China will not be restored, at least not for a century or two, the London *Times* commented Aug. 6. "It also seems probable," the journal proceeded, "that Japan will shortly make a localised but strenuous military effort to make good her new position." "The territorial limits of her immediate ambitions is as yet a matter of conjecture, but there is every prospect that a large slice of Hopei, including Peking, and possibly a part or parts of Shantung, will become a Japanese sphere of influence, presumably with a Gilbertian facade of autonomy."

Aid by Soviet Russia to China Considered Impossible

The *Tokyo Asahi*'s correspondent in Washington Aug. 3 wired that opinion generally in the U.S. is that internal conditions in Soviet Russia, the European situation, especially the Soviet-German relations and the German-Japanese anti-Comintern Pact all render any assistance to China by the Soviets impossible.

London City Circles Believe Full-Dress War Will Be Averted

The British newspapers are closely watching the China crisis. They gave prominence Aug. 3 to the Japanese war vote as indicating that Japan is determined, once for all, to realise her long-planned designs in North China. City circles, however, adhere to the belief that a full-dress war will be averted. They are of the opinion that inner circles of the Chinese Government and all financial and business interests realise the hopelessness of a trial of strength, which would inevitably involve the ruin of all recent Chinese development. A report from Moscow that Soviet Russia is planning to send planes and artillery to China was discredited in London owing to the obviously discordant internal conditions in Russia.

Berlin Financial Paper Says Japan Is Making Great Mistake

The *Berliner Boersen Zeitung* Aug. 5 commented: "Manchuria proved to be poorer in raw materials than thought. Certa n Japanese circles see as their final objective the creation of an economic bloc composed of Japan and the Asiatic continent with a view to making the Japanese export industry independent of the variations of world trade. The remarkable feature of this conception seems to be that Japan is intent on taking over all guidance and control while China is to become a passive member in this bloc. Japan is however making a great mistake here. China has passed through a process of convalescence and recovery that has greatly strengthened her will to independence. The events in North China, the German paper concludes, will awaken in China new and unsuspected forces.

Legislative Yuan Holds Two-Hour Secret Meeting

An urgent meeting of the Legislative Yuan was held in Nankiang Aug. 6. Dr. Sun Fo, president of the Legislative Yuan, made a report on the North China situation and explained the policy which the National Government has decided upon to meet the present situation.

Following Sun Fo's speech a secret meeting was held by members of the Legislative Yuan, lasting for two hours, at which the members discussed military and financial affairs.

The *Shanghai Mainichi* said among the important decisions reached at the meeting were: (1) The Central Bank of China, the Bank of China, the Bank of Communications and the Farmers' Bank will be allowed to issue as much legal tender notes as necessary; (2) all the commercial banks will be placed under the direct supervision of the government banks; (3) all foodstuffs and other military necessities will be ordered to be concentrated by the Government; (4) all commodities will have prices fixed by the Government.

Kailan Mining Administration Celebrates Silver Jubilee

The Kailan Mining Administration celebrated its silver jubilee with a reception attended by all prominent Chinese and foreign officials in Tientsin, July 1. Proposing a toast to the Kailan Mining Administration, British Ambassador Knatchbull-Hugessen praised the triumphs of the concern over the difficulties of a quarter of a century in which, he said, it had not been coddled by fate. The Ambassador concluded with a cordial tribute to the care and consideration given by the K.M.A. to its workers and to the enlightened welfare work among the miners, which, he pointed out, included modern housing, educational, medical, recreational and other facilities.

Some Elements in the Japanese Invasion of Northern China

BY C. Y. W. MENG 孟長泳

EXACTLY one month ago on the fatal night of July 7, the Japanese army, under cover of conducting military maneuvers in Lukouchiao at the famous Marco Polo Bridge, and later, under pretext of searching for "a missing soldier," bombarded the city with machine guns and artillery fire, thus renewing the Sino-Japanese armed clashes, and causing further tension in Sino-Japanese relations—already critical enough! Although it could not be ascertained definitely whether the diplomatic relations between China and Japan would be severed; or whether a *second* Sino-Japanese war would be declared, there is no doubt that such questions are having the closest attention from the leaders and statesmen of the two nations today. The world, which is very much angered by the continuous Japanese invasion of Chinese territories and the massacre of Chinese (in addition to many other outrageous acts in Chinese territories) now awaits the momentous decision from these two nations!

General Sung Cheh-yuan and His Blunders

Apparently, at the outset, China had a fair chance this time to block the Japanese advance towards Peiping and Tientsin, and of inflicting a deadly blow upon the invaders, provided General Sung Cheh-yuan, Chairman of the Political Affairs Readjustment Committee for Hopei and Chahar, and concurrently, Commander of the 29th Route Army, had acted more *wisely*.

When the Japanese bombardment of Lukouchiao was first reported, General Chiang Kai-shek, in his first instruction to General Sung, ordered him to quickly leave his native place (Loling) in Shantung and to proceed to Paoting, capital city of the Hopei Provincial Government, where, apparently, he would and could have met and discussed the whole situation with high officials from Nanking. According to an editorial in the *Ta Kung Pao* (Shanghai Edition), dated August 2, Nanking had sent more than a dozen "urgent telegrams" to General Sung instructing him to proceed quickly to Paoting "to direct his army" (治軍). But instead, he proceeded to Tientsin. This was a great blunder.

As every layman can easily appreciate Tientsin was the most dangerous place for General Sung to go to. So, actually, at one time, it was reported, he was surrounded by the pro-Japanese elements, and he really had lost his freedom of action. Pressure from the Japanese militarists was undoubtedly equally strong, thus depriving him of any freedom of action. Some observers further believed that some of his utterances in Tientsin and Peiping, including his telegram refusing to accept the contributions from the Nation to the 29th Route Army were merely issued in his name; and he night not have agreed with them at all.

Secondly, he placed too much faith in the "peace-talks" with the Japanese, and too much faith in the "words," "promises," etc., of the Japanese militarists and officials. Thirdly, the General is certainly too timid this time. According to our same contemporaries (*Ta Kung Pao*, August 2), "General Sung had so much faith in peace talks that he was afraid that the concentration of the Chinese re-enforcements would arouse the ire of the Japanese and thus impede the peace talks, so the Chiness re-enforcements were encamped far away from the front line." Fourthly, his fault lies with his lack of previous preparations for the eventualities, and lack of a quick decision to fight at the outset when the Japanese reinforcements had not yet arrived.

As a result of a series of blunders which he committeed, the Japanese militarists not only were able to exercise strong personal pressure over Gen. Sung on the spot, but were also able to utilize the many peace-talks with him to gain time for the transportation of Japanese troops to the "front" both by land and by sea. On the other hand, it showed clearly that part of the 29th Route Army, which was fighting with the Japanese forces, fought without much previous preparation.

According to the observations of some military experts, *the situation would have been different* had General Sung decided to fight right after the Japanese fired the first shot at Lukouchiao. This is because at the time of bombardment, there were only a few hundred Japanese soldiers in Lukouchiao, which could easily be dealt with by larger Chinese forces. Similarly, by that time, the Japanese forces in Fengtai were not large, and could be rounded up by larger Chinese forces. Secondly, the 38th Division, which was at Nanyuan, could have dealt a heavy blow to the Japanese by blowing up the many bridges along the Peiping-Liaoning Railway, which would prevent the transportation of the Japanese reinforcements by land. By further removing tracks between Peiping and Tientsin, it would prevent the transportation of the Japanese re-enforcements by sea (from Taku). In other words, General Sung should have decided to fight at the outset, before the Japanese could use transportation facilities to bring up reinforcements.

But such opportunities were lost by General Sung. Peiping and Tientsin are now occupied by the invaders, and are being used as "bases of operation" for further attacks on the Chinese positions.

General Sung is generally known as the "Hsifengkow Hero" because he put up stiff resistance against the Japanese advance inside the Great Wall. The Battle of Hsifengkow is generally considered by Chinese historians as the Battle of Verdun during the World War where the German advance was at last blocked. In fairness, we must give him the credit for his ability to hold Hopei and Chahar from falling into the hands of the enemy for the past two years under his administration. But, unfortunately, his handling of the Lukouchiao Affair has marred much of his good record. China's chance of thwarting the Japanese march on Peiping and Tientsin, as will as China's chance of marching to Tungchow, "capital" of the bogus administration of the so-called Eastern Hopei Anti-Communist and Autonomous government, where Yin Ju-keng's head (Yin is the head of the bogus administration) would be put on the guillotine to pay for his treasonable act, was thus not seized upon.

"A Blessing in Disguise"

In our previous discussion of the Sino-Japanese situation (See *The Review*, July 31, 1937, p. 325), we concluded that ". . . the Japanese bombardment of Lukouchiao will turn out to be a blessing in disguise to China in effecting national unity, in giving rise to a new nationalism, and in reviving the Spirit of the Middle Kingdom. . . ." There is certainly much truth in this conclusion.

Today, we find there is a big gathering of the civil and military leaders in the Capital, including many of the leaders of the "Opposition." General Tsai Ting-kai, once the commander of the famous 19th Route Army, but the leader of the Fukien Revolt against Nanking in 1932, is coming to Nanking. Before his departure from Canton on his way to Nanking, when interviewed, he said that he had decided "to sink all personal differences" and "to fight under a united banner for China" should diplomatic exchanges fail and war break out. He added that his trip to Nanking was for the purpose of "offering his services to the Generalissimo."

Other leaders of the opposition camp, such as Chiang Kwang-nai, Chen Ming-chu, Li Chi-ching, etc. have, according to current reports, also offered their services to Nanking. Siao Fu-chen, a veteran Kuomintong member, is also reported to be coming to Nanking. Similarly, according to Victor Keen's account (see *New York Herald Tribune*, May 23, P. 7), the Chinese communist leaders have, in the past years, repeatedly offered their "co-operation" to Nanking to resist Japanese aggression.

In the past, the Chinese populace has been pleading for a long time with the leaders "to sink their personal and political differences," and "to present a united front to tide over the national crisis." Our wish is realized today! General Tsai's utterance is the first of this kind we have heard since many years of internecine warfare!

In addition, it is equally significant and gratifying to see that the many leaders of the Opposition in prison are now being set free. The release of the seven leaders of the National Salvation Association from Soochow Prison, and the cancellation of the Order for the arrest of Kuo Mo-yuan, a leftist writer, are some examples of the government's desire "to sink personal and political differences" and "to present a united front to cope with foreign aggression." That is: a true national unity or a "perfect union," not only based on the sentimental feeling but rather on genuine patriotism, is now in shape—a unity which we have been hoping to realize ever since the Japanese bombardment of Mukden on the fatal night of Sept. 18, 1931!

"Chiang-Pai Historic Meet"

But probably, the most important of all was the "Chiang (Gen. Chiang)—Pai (General Pai Chung-hsi, leader of Kwangsi) Meet" on Aug. 6. As we recall, due to political differences, these two leaders had not seen each other for nearly ten years. A year ago, the Kwangtung-Kwangsi "demands" for war with Japan almost resulted in another major civil war, but this was averted after much negotiating.

General Pai is generally regarded as one of China's greatest strategist, and a strong advocate of resistance against the Japanese aggression. He would not come to Nanking unless "to fight."

In addition, it must be said that at no time has Nanking ever seen such a big political meeting as the present one which is attended by all provincial chairmen and many other high ranking officials. At present, practically all the chairmen of the provincial government are in the Capital. General Yen Shih-sen, Chairman of Shansi Provincial Government, General Han Fu-chu of Shantung, General Yu Han-miao of Kwangtung, General Liu Hsiang of Szechuen, General Lung Yung of Yunnan, General Ho Chien of Hunan, etc. are now in the Capital to attend many of the meetings and to discuss many of the problems of the day.

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QUAKER OATS RICH IN NATURE'S TONIC VITAMIN for bracing-up Digestion, Nerves and Appetite

Whole Nation Demands War With Japan

During the *first* Sino-Japanese war (1894-5) Japan could easily humble China. But during the present or *second* Sino-Japanese war, Japan should not be surprised to see that China fights *like one man!* Today, the urgent telegrams addressed to the government, demanding war with Japan, from the Chinese inside or outside of China, if collated, would easily fill many volumes while every effort is made to give whole-hearted support to the government to carry on the campaign against the aggressor.

Due to superiority in armaments, the Chinese admit that Japan might be victorious and might occupy some of the Chinese cities at the beginning of the war. But in modern warfare, man-power and economic resources are of equal importance. "This next war, which starts as a war of the machines, will end—as wars always have ended and always must—as a war of man against man . . . Thus the war of tomorrow will be a conflict of endurance . . . " (see, "When the Next War Breaks on the World" by Hanson W. Baldwin in the *New York Times* Magazine, June 20, 1937, P. 4).

According to the latest statistics, Japan's standing army is placed at 345,000, her reserves at 4,000,000 making a total of 3,345,000 that can be mobilized. Of these, 2,145,000 will have to be stationed at home, in Korea, Formosa and Manchuria to maintain law and order. Only 1,000,000 out of the remaining 2,200,000 are available to do actual fighting China.

During the Sino-Japanese undeclared war in Shanghai, Japan suffered 20,000 casualties in 34 days. During the recent Sino-Japanese clashes in north China, the Japanese casualties up to August 3 totalled 1,233 officers and men, of whom 364 lost their lives while the rest were wounded.

On the other, hand China has a regular army of 3,000,000, her militia corps, *paoantuei* and volunteers of 4,000,000, and several millions of able-bodied adults now undergoing military training. Kwangsi Province alone, can mobilize militia 300,000 strong in two weeks! So the Chinese demand war with Japan, because they believe that although we might suffer some reverses at the beginning, we would be victorious in the end! This is why General Chiang says: "the final victory will be ours!"

Nanking, Aug. 7, 1937.

South China Prepares for War Against Japan—Japanese Trade Hard Hit

BY THE REVIEW'S SOUTH CHINA CORRESPONDENT

WHILE the Tokyo Cabinet is granting appropriations of hundreds of millions of Yen for expenses in connection with the North China incident, an adventure which is likely to cost the Japanese Government many millions more before it will be finally liquidated, it is interesting to note that in South China the Japanese trade has been hard hit because of the political uncertainty. Since July 7, when the first shot was fired by the Japanese garrison troops in North China, Hongkong and Canton Chinese merchants have been taking a most cautious and waiting attitude when placing their orders for Japanese goods. There are many factors which they must carefully consider in view of the possibility of a Sino-Japanese war.

The Chinese merchants here recall that at the time of the Mukden incident of 1931 many of the Chinese firms here lost many millions of dollars because they suddenly found that they had on hand large consignments of Japanese goods coming to South China at a time when there was an intensive anti-Japanese boycott movement in Hongkong and Canton. When the Japanese goods arrived here there was no market for them. The merchants' fear that history will repeat itself in view of the Chinese organizations' preparations in Canton to renew the economic boycott with official encouragement and approval against the Japanese products. Further the merchants fear that even if there is no boycott the Japanese goods may not be able to arrive in the south in time as shipping schedules are likely to be affected because of the China situation and the many thousands of Japanese troops having to come out from the Island Empire on chartered ships.

Meanwhile it is reported that even the Japanese firms themselves hesitate when taking Chinese orders; there is a fear among the Japanese importers that if hostilities break out between China and Japan their factories at home may not be able to produce goods in time for delivery. The net result of this abnormal situation is that the American, British and German firms in South China have been given an unusual number of orders which in the course of ordinary events would have been given to the Japanese. The biggest demand on firms of these three countries is for metal goods and piece goods. For many years since 1925 the Japanese piece goods have enjoyed an unprecedentedly good position in Hongkong and Canton because of their cheapness and their prompt delivery, Japan being much closer to the China market than her British and American competitors.

Japan's No. 1 position in the piece good market in South China has been greatly shaken since the outbreak of Sino Japanese hostilities at Lukouchiao. The compradore of a leading British firm told the writer the other day that not for many years within his memory has his firm enjoyed such popularity, due to the Chinese avoidance of the Japanese firms, and he said one day last week he received orders amounting to over $100,000. The recent improvement in the Sino-British political relations, the cordial British reception given to Dr. H. H. Kung while the latter was in London and talks of fresh British credits given to the Chinese Government for industrial and economic development are new stimulants which prompted the Chinese to give a preference to their British friend. In this connection it may be recalled that before the Great Strike in Hongkong in 1925 Great Britain's piece goods occupied the first position among the Powers trading with China. The Germans, on the other hand, lost favor with the Chinese in the South since the Great War in 1914, both China and Britain were then enemies of the Germans.

Intense Ill Feeling

There cannot be the least doubt that intense ill-feeling has been stirred among the Chinese in Hongkong, South China in general and the Malayan Settlements against the Japanese because of their premeditated action in Peiping and Tientsin. In Singapore, for instance, because of the heated denunciation made against the Japanese by Chinese newspapers and retaliation by the Japanese newspapers, the British Government had to issue a communique reminding the Chinese and Japanese residents that should hostilities break out in North China they must not take action which may lead to a breach of peace. The communique says: "In the event of hostilities the Government will maintain an attitude of complete impartiality and will not hesitate to use to the full its powers against everyone stirring up trouble."

In Hongkong, despite the fact that all Chinese newspapers must go through the Government censors, the vernacular daily newspapers are taking an unanimous and firm stand in denouncing the Japanese aggression in North China and the sending of many thousands of Japanese troops to China while demanding all the Chinese troops to leave their own territory in Hopei. It is significant that all the British owned foreign newspapers in Hongkong and two foreign newspapers in Canton are equally vehement in their criticism against the Japanese for stirring up trouble in North China by creating a major issue out of a minor incident at Lukouchiao. For a number of days the Chinese editors of the vernacular papers were so satisfied with the comments made in the Hongkong British journals that the latter's editorials were translated in full in the Chinese papers. In Canton the Chinese provincial officials appear to be more cautious in their policy and the Government censors are keeping a close watch against any news items which may provoke disturbances. The Canton Daily Sun, an English daily paper, for instance, appeared today with a number of blanks, because the censors took out a number of its items which they consider best to be left out during the present delicate situation.

Japanese Prepare to Evacuate

Though in North China Chinese troops and civilians are being massacred by the hundreds daily whenever the Chinese clashed with the Japanese, as the latter troops did not hesitate to use heavy artillery and air bombardments, in the South the Kwangtung authorities are still determined to give the four to five hundred Japanese residents in Canton City the best protection. The Japanese Consul-General, Mr. Nakamura, has had a number of conferences with the Canton Chief of Police, the Commissioner of Foreign Affairs, Dr. Philip Tyau, and the acting Governor, Major-General Auyang Chu, to confer on the protection of Japanese residents, the alleged boycott of Chinese stevedores in Canton against the Japanese steamers and other matters. Quite a number of Japanese women and children have secretly left Shameen or Canton City for Hongkong en route to Japan. The number of departures has not been disclosed and Chinese newspapers say that these Japanese women and children boarded steamers and trains for Hongkong under disguise as Chinese and wearing Chinese clothes to avoid Chinese attention. It is possible that most of them are still staying in Hongkong watching developments before taking the final move to return to Japan.

In Hongkong the Japanese can be assured of British protection. In Hongkong there is a larger number a Japanese living in the Wanchai district, where most of them are engaged in business as hotel and restaurant keepers, book and toy sellers, masseurs or masseuses. In Wanchai there used to be a large number of Japanese brothels but these were closed down not many years ago when the Colony Government enforced a complete suppression of prostitution. Even in the Wanchai district today special police fully armed and twelve in one party were sent on special duty day and night to prevent any untoward incidents. Each of these special parties was headed by a European officer with one Chinese detective and ten Indian constables.

Canton Stevedores' Strike

Following the announcement made by Chinese stevedores at Swatow not to have anything to do with the Japanese and to refuse to handle any Japanese goods on steamers and ashore, the Canton Stevedores' Union since yesterday has adopted the same attitude as its compatriots in Swatow. The Canton stevedores have gone a step further by preventing the non-unionists from handling Japanese goods. A picket corps has been hastily organised for the purpose of enforcing its resolution. The Chinese Seamen's Union has made up its mind that all Chinese working on Japanese ships must terminate their employment. How the Union's resolution is to be put into execution has not been made public. With stevedores in Canton, Swatow and in other Kwangtung districts refusing to handle any Japanese goods at all it is expected that in no time the movement of Japanese goods will be entirely stopped and a most serious economic effect will be caused to the Japanese manufacturers due to the north China "undeclared war."

The Japanese consular officials in Canton have protested to the Kwangtung provincial authorities over the stevedores' boycott on them but the Chinese leaders explained to the Japanese that if the Chinese stevedores refuse to earn their bread and butter from the Japanese steamers and cargo owners the Government is in no position to force them to change their minds. Even the Chinese toilers have the right to choose their own customers. Japanese are trying to import coolies from Formosa in order to carry on their business in the south.

Student Movement Revived

Students have revived their anti-Japanese national salvation society which will carry on the various branches of the anti-Nipponism movement. Many Chinese students now studying in Japan have returned to Kwangtung alleging that 2,000 students are ready to leave that country owing to our strained relations with them. Many thousands of Chinese students from Peiping

and Tientsin have arrived in Kwangtung to join the universities and colleges in the south fearing that the outbreak of hostilities in the north will prevent their schools from opening. Having seen the destruction by the Japanese of their own homes and own properties in North China most of these northern students are only too ready to join the student movement in denouncing the Japanese and assist in enforcing the anti-Japanese boycott. Over 5,000 such northern students have registered for the entrance examination at the National Sun Yat-sen University in Canton, the biggest Chinese managed educational institute in South China.

Canton Prepares for War

Because of Canton River's shallow condition which will make it impossible for Japanese warships of the bigger type to enter the harbour the Canton populace seems to be little perturbed by the crisis in the north. But nevertheless in a very quiet way they are prepared for Japanese air bombardment. Many of the Government and utility buildings such as the water works, police offices and other important buildings are being repainted in a certain color to prevent their being too easily recognised from the air. Police have been on special lookout against traitors and Japanese spies and a few Chinese suspects have been arrested inside and near Canton. Protection of South China's railway is another problem engaging the attention of the Chinese officials. Special armed guards are now sent to protect the Canton-Hankow, Canton-Samshui and Canton-Kowloon Railways. It is fortunate for the Chinese Government that not a day had been wasted by Canton's energetic Mayor, Tseng Yang-fu, in pushing the building of the Canton-Whampoa railway and its road-bed has now been finished. If war should break out the Whampoa extension railway will link up the Canton-Kowloon Railway with the Canton-Hankow Railway, thus it will be made possible for the swift and uninterrupted transportation of food and other necessities of war from the British Colony of Hongkong direct to the Central and South-western China fronts. Realising the importance of this loop line and fearing that the British interest in the Canton-Kowloon Railway will interfere with the Japanese military designs in the South, Japanese have secretly sent their agents to Canton agitating in some labor and commercial unions with a view to demanding that the Government not permit the linking of the Canton-Hankow and Canton-Kowloon Railway. If the Japanese succeed in this they hope to accomplish an effective economic blockade of the China coast, in particular the ports along the Kwangtung coast, once war is declared.

Hundreds of Foreign Spies

Hundreds of young Japanese or their subjects are known to be working in the south under what is known as a Special Service Department for Kwangtung with headquarters in Swatow, Canton, Amoy and all the ports to secure all important information pertaining to the movement of Chinese troops, railway and other communication data, codes of Chinese telegraph administrations, native dialects, geographical positions of the important commercial towns and ports, positions of the Government buildings and numerous other details, necessary for the annexation of China.

In South China the Japanese are purchasing large consignments of metal wares, cotton and food-stuffs. Many such Japanese steamers with full loads of cargoes above stated passed through Hongkong this week but did not stop in the British Colony for fear that they might draw Chinese attention.

July 30, 1937.

Japanese Demand Mail and Telegraph Censorship in Tientsin Foreign Concessions

Extending its authority to the British and French Concessions in Tientsin, the Japanese Army has demanded the establishment of censorship offices in the two said areas to inspect postal and telegraphic matters, a Tientsin dispatch to the Shanghai *Lib Pao* Aug. 8 staid. The demand, the report stated, was contained in a memorandum sent to the Tientsin Consular Body by the Japanese Consul-General.

Japanese censors, the memorandum was quoted by the dispatch as having stated, would be dispatched to the two foreign districts to carry out the censorship. The Japanese note was also said to have emphasized that joint censorship by the participation of various consul-generals in Tientsin would be totally rejected.

China to Repatriate Nationals from Japan

Measures for the evacuation of Chinese residents in Japan were discussed at a meeting of representatives of the Ministries of Foreign Affairs, Finance and Communications and the Central Overseas Affairs Commission in Nanking Aug. 3. The Ministry of Foreign Affairs, it was decided, should instruct the Embassy at Tokyo to order all Chknese residents in Japan to concentrate in Yokohama, Kobe, and Nagasaki, while the Ministry of Communications will despatch steamers to Japan to transport them back. The Overseas Affairs Commission is to attend to the relief of the repatriated. Relief funds are to be appropriated by the Ministry of Finance.

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Wang Ching-wei Says Country Should Be Told Whether China Will Fight or Make Peace

A plea for plain-speaking in the present crisis was made by Wang Ching-wei, Chairman of the Central Political Committee, in a nationwide radio broadcast from Nanking Aug. 4. The following is a full translation of Mr. Wang's address :—

"Compatriots,—At this critical moment I wish only to say a few words, and that is, that we should speak frankly and fulfill our responsibility.

As to the responsibility, each person has his own special responsibility. Those serving in Government organs have their own responsibilities as well as those serving in social organs. Speaking from the standpoint of the Government, it has been a grave responsibility to decide what measures to adopt in the past, as it is to adopt at present and in the future. Speaking from the social standpoint, the people have made no little contributions in sweat and blood during the past few years, Besides those contributions to the State fixed by law, they have also made voluntary donations and paid amusement tax. They have indeed fulfilled their responsibility. However, compared with Japan which has at one stroke increased her budget by 400 million yen to cope with the so-called North China crisis, how great is the difference!

There are two most poignant sayings in Chinese history. Cheng Kuo—a courtier in the Kingdom of Han, which existed in the latter part of the Chou Dynasty (1122-256 B.C.)—said : "I have prolonged the life of Han for several years." However, he only worked in the interest of Chin. Well aware of the fact that he could not prevent the extinction of the Kingdom of Han, he only sought to prolong its life for a few years. Such an attempt to prolong the last breath by artificial stimulant was certainly not a fundamental measure. Again, Chang Ti—a statesman of the Wu Dynasty (229-266 A.D.)—said : "During the fall of Wu not a man died for his country. Was this not a disgrace?" He knew that he could not prevent the extinction of Wu, but wanted to die in order to satisfy his own conscience. However, after his death those who survived him became slaves. How could he close his eyes in death? This was also not a fundamental measure. We cannot but discuss the question as to how we should fulfill our responsibility. In my humble opinion, in order to fulfill our responsibility, we must speak frankly. By this I mean our words should conform to our thoughts. We should speak what we think. This is very important.

The Necessity for Speaking Honestly

China was conquered twice at the close of the Sung (960-1126 A.D.) and Ming (1368-1643 A.D.) Dynasties. The chief reason for China's fall was that nobody spoke honestly. Thoughts were different from words. Nobody was willing to fulfill his responsibility but wanted to see how other people fulfilled theirs. When peace should have been made, everybody opposed peace. When war should have been declared, everybody opposed war. For, in the case of peace, certain losses might be suffered; and in case of war, defeat was possible. The best way was therefore to put oneself beyond reproach (by opposing both peace and war) and leave others to their fate. Consequently, two generals of the Ming Dynasty were killed; Hsiung Ting-pi being beheaded, and Yuan Chung-huan tortured to death. The tragedy lay not in the sacrifice of their lives but in the fact that in such an atmosphere of insincerity and irresponsibility they had no alternative but to die in order to fulfill their responsibility. Almost 9 centuries have passed since the fall of the Sung Dynasty and three centuries since the fall of the Ming Dynasty. During such long intervals, the people tasted sufficiently the pain of national extinction.

Since the 19th century, not only military force but also economic and cultural aggression may bring about the fall of States. Consequently once a State falls, there is absolutely no hope for its regeneration. Excepting Poland, which due to special circumstances revived after its fall, we can think of no other example. During the Great War, Russia was defeated by Germany and almost perished. Germany was defeated by the Allied powers and almost perished. However, they were able to preserve their national existence and revive. That this was possible was due to the fact that the people of these countries, facing extinction, were determined to save their countries. They were willing to speak frankly. They knew that to secure peace there had to be certain losses. They frankly bore such losses but sought certain compensating factors after such losses had been accepted. They knew that in case of war, defeat was possible; and honestly admitted defeat. After their defeat they continued to fight. When they were again defeated they redoubled their efforts in fighting until they saved their countries from extinction. The secret of their success lies in the fact that they spoke frankly. The importance of plain speaking must not be under-estimated. Only when we speak honestly can we fulfill our responsibility. In other words, if we do not speak honestly we cannot fulfill our responsibility. If nobody can fulfill his responsibility, what result can there be but national extinction?

We know that war is waged nowadays by the strong Powers against weak States, and some times vice-versa. When a strong Power wages war against a weak State the former speedily utilizes its powerful strength in order to crush the weak State at one blow so as to render the latter *hors de combat*. When a weak State wages war against a strong Power—though it knows its own weakness — it is determined to fully utilize its mental and material resources to the last drop so that not only is its own force exhausted but that of the strong Power is also consumed. Consequently, the latter cannot but feel anxious. We must understand that in attacking a weak State the strong Power has no limit to its appetite which can only be satiated when it tastes bitterness. Consequently, if we utilize all the mental and material resources at our disposal, we can at least cause the strong Power some distress.

Visible and Invisible Hostilities

Moreover, we should know that, in modern warfare, hostilities may be visible as well as invisible. A strong Power, though it does not come into armed conflict with other Powers, always has many enemies because of its wild ambitions. Though it has ready many army units, it suffers the disadvantage of having their strength divided. Besides military force, there is also economic, commercial and industrial warfare which is invisible but can strike constantly and unyieldingly. Hence, when a strong Power wastes its military and financial strength in waging war against a weak State, it will be tantamount to exposing its weaknesses to other strong Powers and giving them an opportunity to join. In the beginning the waste of strength will only be superficial but in the end it will be fatal. However strong a State may be it cannot ignore this point. If we understand this idea, we will see that when a weak State is obliged to meet a strong Power in warfare, though it cannot avoid extreme sacrifices, such sacrifices will not be suffered in vain. On the other hand, if it is not willing to make any sacrifice or if it is not prepared to make the utmost sacrifice, not only will it be easy for the strong Power to swallow it but also to digest it. The greater the appetite of the strong Power, the fatter will it wax. Not only will it suffer no loss, but it will make use of the weak State to devour other strong powers.

Some one has said : 'Though our country is weak, we must neither over-estimate nor under-estimate our strength. If we over-estimate it, we shall light-heartedly put it to the test; if we under-estimate it, we shall sink into oblivion.' These are sound and logical words. However, to appraise one's strength is not easy. For instance, at the outset of the European war, Germany originally decided to concentrate its military strength in order to defeat the French Army within the shortest period and advance directly on Paris. At that time Germany calculated that her military strength would be sufficient to achieve this. However, it later encountered stiff resistance from Belgium as well as from the French forces so that the original plan could not be achieved. This was because Germany over-estimated its own strength and under-estimated the strength of France. German military science is famous all over the world, but it was not infallible in estimating Germany's strength.

Again, for instance, during the recent Italo-Abyssinian hostilities, the military observers of the various countries thought that in view of the fact that Abyssinia is sandy land and that it was approaching the rainy season, the Italian forces would not be able to advance. However, the Italian forces advanced with such celerity that Abyssinia collapsed even before the rainy season. The estimates of the various military observers were entirely wrong.

From this, we see that the evaluation of strength is not an easy thing. Generally, when a strong Power attacks a weak State it always seeks at the outset to crush the latter at one blow. During this critical period, the weak State cannot but fight stubbornly and to the best of its ability and prolong the hostilities as much as possible. The longer the hostilities are maintained, the greater will be the chance of preserving its existence. Besides this, there is no other road to life.

Others have said : "Though our country is weak, we love peace. If we are attacked by an aggressive State, we will certainly receive assistance from those States which respect peace." These words are also sound and logical. But though we love peace, it cannot be preserved by wishing for peace but by strength to preserve peace. If we are not capable of maintaining peace and only talk of loving peace, that is not loving peace but looking down upon it. While there are undoubtedly some States in the world which respect peace, they only know how to respect peace but not to use their strength for its preservation. It would be more appropriate to call them mockers of peace. However, it is not easy to utilize our strength for the maintenance of peace. Firstly, we must utilize our own strength. Secondly, though it is a virtue to draw the sword in order to vindicate justice, judging from the international situation which State has not drawn its sword for the preservation of its own existence? What State is willing to draw its sword for the preservation of the existence of another State unless there are certain interests in common? However, even if such community of interests exists, the States concerned will weigh their interests and hesitate to act. From this we see

that when a weak State is invaded, it must rely on its own strength to resist such aggression as far as possible. The longer the resistance, the greater the chance of preserving its existence. Besides this there is no other road to life.

Then some one has said: "Is it not difficult for a weak State to resist a strong Power?" Napoleon said that the word "difficult" was not in his dictionary. We say that the word "easy" is not in our dictionary. For if we know that a thing is difficult but call it easy, our word will be of no value and dishonest, and no one will be responsible for its execution. On the other hand, if we know that a thing is difficult and call it difficult and yet continue to do the difficult thing, then we are speaking honestly and fulfilling our responsibility. Such determination and courage will then increase tenfold and even if our difficulties are indeed tenfold we can still overcome them. We must speak honestly and fulfil our responsibilities. We must not hoodwink the world and evade our responsibilities. We must not indulge in grandiose talk, which will only lead to conflict and reduce our strength. We must not indulge in extravagant thoughts or raise false hopes for they are easily dissipated.

In short, we should maintain our attitude of a weak State and be determined to lay down our lives. If the strong State does not lay down the butcher's knife, our compatriots throughout the country will swear like Tang Wang (Kiang of the Shang Dynasty in 1766-1122 B.C.) "The evil day having come upon us, you and I shall die together."

Gen. Feng Yu-shiang Says Eventual Victory Will Be China's

A powerful address on "How to resist foreign aggression and save the country" was broadcast over the radio from Nanking Aug. 6 by General Feng Yu-hsiang, Vice-President of the Military Affairs Commission.

In order to defeat the enemy, General Feng said, the Chinese must correctly evaluate their strength, understand the Government's policy of resistance against foreign aggression, manifest the national spirit and carry on the war of resistance as long as possible.

General Feng expressed confidence that, if the Chinese theirs observe these fundamental principles, victory will ultimately be China's.

The policy of the Government vis-a-vis the Northern situation, General Feng said, has been clearly defined by General Chiang Kai-shek, President of the Military Affairs Commission, in his recent statements. In short, the Government will under no circumstances tolerate Japanese encroachment on the territorial and sovereign rights in North China. This is the limit of endurance.

Therefore, unless the Japanese imperialists unconditionally return the occupied territory to China, the latter cannot but embark on a life-or-death struggle with the enemy.

He warned the public not to expect that the Japanese military would restrain their aggressions against China when they reached a certain limit. The events at Lukouchiao, Peiping and Tientsin had fully demonstrated the fact that the unholy ambitions of the Japanese imperialists are boundless.

Feng emphasized that a distinction should be made between the Japanese people and the Japanese military. The former, he believed, do not approve of the latter's activities.

General Feng expressed confidence that the Japanese people, who also love peace, will some day cooperate in overthrowing their imperialist oligarchy. As to the Japanese warlords, they will never awake to their mistakes until they are completely defeated by the Chinese.

General Feng warned the people against either over-estimating or under-estimating the strength of the enemy. While the equipment of the enemy is superior to China's, the morale of Chinese troops is far superior to theirs.

There is no need of fearing the utilization of Chinese traitors by the enemy, General Feng added.

Further General Feng explained the policy of resistance against foreign aggression. He said that the Chinese are a peace-loving people. The Chinese are not looking for war, but are forced by the Japanese imperialists to offer armed resistance against their aggressions. The Chinese are not invading the territory of another State; they are only defending their own territory against Japanese invasion.

If Japan mobilizes 28 Divisions, China is ready to mobilize 450 million people, General Feng said.

Szechuen Populace Urges Government to Resist Japanese Invasion

More than 100,000 people attended a mass meeting at the Hsiaocheng Park in Chengtu Aug. 7 to voice the public indignation at the Japanese aggression and atrocities in the North. It was decided to urge the Government to resist Japanese invasion by armed force, suppress traitors, and consolidate the rear. The Szechuan Provincial Government is to be petitioned to arm the people for resisting Japanese invasion and strengthen its support of the forces at the front.

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The Growth of China's National Consciousness

BY T. S. YOUNG

MY ricksha man, Ah-Shan, is not as care-free, talkative and happy-looking as he used to be. In these few weeks, he has become serious, ill at ease, and restless as an ant no the hot oven. He appears to have been pre-occupied with some grave thoughts. When asked, "What is the trouble with you?", he shook his head and replied somewhat hesitantly, "Master, shall we become slaves? I am very much worried over the talks of our becoming slaves I have heard from fellow ricksha men." So Ah-Shan is no longer as ignorant and indifferent as he was when he first came from the country about three years ago. National consciousness has also made its way into his inner heart, and smote him with fire of patriotism. Ah-Shan, it must be noted, can not read even his own name, and his knowledge of the world is limited to such things as that the Westerners have high noses and blue eyes, that the Sikhs wear coloured turbans and heavy beards, and that the Japanese are dwarfs. Therefore it is all the more remarkable that he should be very much concerned with the sad fate of our country and the future status of our people.

In the present days of trials and tribulations, disquietude and disappointment, fears and anxieties, the only consolation we can find is the growing national consciousness among the middle and lower classes of our people. This national consciousness, once the treasure of a few young students, has now become a common property, the ownership of which has been proudly claimed by all. Its growth is admitted to be very slow, but that it can now express itself in some concrete form is really a source of encouragement, especially in consideration of the fact that a great majority of our people are illiterate. Doubtless, this slow growth would not have been possible, but for the relentless aggression of our enemy. The bombing of our enemy's airplanes and the booming of our enemy's guns have very effectively aroused our people from from their lethargy and transformed them into new beings. This newly awakened national consciousness now constitutes a great bulwark of our national defence, an indestructible force of our united strength, and an effective weapon to meet foreign aggression.

With the growth of our national consciousness, we are no longer a tray of loose sand, but a piece of granite. We need not make soap-box orations to rally the public support to any national cause, when every one of us can of his own accord run to the banner hoisted by our Government. Nor need we appeal to the public to make contributions to the funds for any patriotic purpose, when every one of us can willingly make his own sacrifice. Nor do we need to launch any organized boycott movement, when every one of us can individually make use of this economic weapon as an effective measure of self-defence. We may be weak in our military strength, but we are strong in our will and firm in our determination to defend ourselves. With this strong will and firm determination, we do not attach the accustomed value to our life and properties, and are prepared to make the supreme sacrifice. The wanton destruction wrought by our enemy on our populous cities can not dishearten us, but will serve only to add more fuel to the fire of patriotism. Our enemy, by means of superior military prowess, may succeed in breaking down our resistance, but can never conquer the heart of our people.

We are no longer so self-centered and apathetic as to be indifferent toward our national crisis. The kaleidoscopic developments in North China have put us all on tenterhooks. Our feelings have been aroused to such a high pitch, that we are literally in a state of frenzy. We can not sit composedly in tea-houses to sip our favorite tea, nor find pleasure in partaking of a big dinner, nor have the mind to take daily strolls in parks, nor concentrate our thoughts to musing on Confucius' philosophies. We are all worried over the fate of our country, for we know that we can not exist without our country. We deplore our military weakness, our unpreparedness, and our inaction. We shed profuse tears for those heroes who have faithfully redeemed their pledges by sacrificing their lives for the country, and meanwhile, condemn in the most strong terms the many traitors, who are willing to be the puppets of our enemy. We are divided by mixed sentiments of admiration and condemnation, hope and disappointment, and confidence an anxiety.

We all become communicative and eloquent. In the tea-houses, in the restaurants, and at the street-corners, strangers gather to inquire of each other about the latest news and discuss among themselves the latest developments, as if they were friends of long standing. In the trains and street cars, we do not keep our usual reticence and assumed dignity, but are well disposed to be friendly and open conversation with our strange neighbours. We are pleased to let them have the use of our newspapers and cigarette, and oblige them with our services; for they are of our own nationality, and we must love each other, before we can manage to put up a united front against our common foe. We gladly shake with those who are not on speaking terms with us, and sink our personal differences and prejudices which we may entertain against anybody. We become even sympathetic with our ricksha pullers, cooks and servants, and have not the heart to be harsh with them, for they are our fellow country men.

We temporarily rule out all personal cares from our mind. The first thing after we get out of bed, we read the morning newspapers, and get ourselves informed of the latest news. Throughout the day, we are always on the alert for news or views, and information from our fellow office-workers. For the time being, we do not follow the regular programs broadcast by radio stations, and listen to nothing but news and official pronouncements. Those who have not receiving sets at home, will stand on the pavements and listen to the radios put up by numerous stores for advertising purposes. When we pass by a newspaper office, we will never fail to stop before its door and look at its bulletin board for any special announcements. When we hear the cries of "extras," we, with throbbing hearts, will walk at double-quick pace to secure a copy. In these days, "extras" are sold, to use a familiar American expression, as fast as hot cakes, and the bulletin boards of newspaper offices are always surrounded with news-seeking persons.

We are mad for news. In this atmosphere of tenseness, we have lost our composure of mind and sense of proportion, and have had difficulty in exercising our sense of judgment and power of discernment. In one sense, we become credulous, and tend to accept all the news reports at their face value without waiting for their confirmation and our verification. Based on these unconfirmed news reports or even wide rumors, we let off our sentiments without rhyme and reason, even to the surprise of ourselves. Should the makers of firecrackers ingeniously but selfishly circulate a rumor alleging a big Chinese victory, we will listen to it and buy off their stocks for a big celebration. This sounds somewhat unbelievable, but in these days of tense atmosphere, anything unbelievable may actually come to pass. We are fully aware that we must keep ourselves calm and quiet in face of our national crisis, and guard ourselves against listening to any fantastic stories. But when our sentiments are wrought up, they are beyond our control, and have totally carried away our sense of judgement and power of discernment.

We are now stricken with the fever of war, and are clamoring for war at all cost. We are not oblivious to our military weakness and our unpreparedness for embarking on modern warfare, but believe that between surrender and fighting there is no choice. Our moderate elements have counselled us caution and patience, but their feeble voices have been easily drowned in the loud cries for war. With the growth of our national consciousness, we can no longer leave our officials to conduct our ship of state without voicing our sentiments, nor can we tolerate any more humiliations showered upon us by our enemy, nor can we stand by to witness the rapid process of dismemberment of our territories. This national consciousness, be it noted, is still at its embryo stage; and if it be permitted to develop itself under proper promotion and encouragement, it is bound to become a sacred fire, the flames of which will blaze a new trail for our battered country. It is a change not without its tragic aspects, when we consider that a people who are traditionally great lovers of peace should be driven to become the disciples of Mars, that a people who heretofore have bothered themselves with nothing outside of their domestic spheres should be compelled to embrace the faith of nationalism, and that a people who have habitually looked down upon the profession of soldiery should be forced to consider it a great honor to serve in the army.

Shanghai, Aug. 7, 1937.

Shortage of Newsprint Forces Nanking Papers to Economize

The acute shortage of newsprint in Nanking, coupled with its rising price, has forced Nanking papers to economize by reducing the number of their sheets.

Many News Agencies in North China Close Down

Many news agencies in Tsinan have suspended operation. The unsettled conditions are blamed for their forced winding up of business.

Rumor-Mongering of Japanese Press Taken to Task by Gen. Ho Ying-chin

A vehement protest against the traditional rumor-mongering, with malicious intent, on the part of the Japanese press during critical moments was launch by Gen. Ho Ying-chin, Minister of War, in a speech given at the weekly Sun Yat-sen memorial meeting at the Central Party Headquarters in Nanking, Aug. 9.

Reich Denies Attempt to Secure China's Adherence to Anti-Communist Pact

The Reich Government Aug. 9 info med China's Embassy at Berlin that, contrary to certain Japanese information, Germany did not intend to invite China to adhere to the German-Japanese agreement concluded against communism. This was believed to refer to the statement of official circles in Tokyo that Japanese action in North China was aimed only at bringing China to cooperate with Japan against communism.

Berlin Foreign Office Denies Rumors That Germany Will Recall Military Advisers

Current reports to the effect that Germany will recall all her military advisers in China in order to please the Japanese military were denied by the high officials of the German Foreign office who recently called on Beue Tann, Counsellor of the Chinese Embassy in Berlin, a *Central News* telegram from Nanking Aug. 9 stated.

Among outstanding German militarists who have served China in the past are the late Colonel Max Bauer, first military and industrial adviser, and the late General von Seeckt who is given credit for having organized the Nanking forces. Major-General Kriebel succeeded Bauer as head of the German military mission, but resigned in June, 1930, and became German consul-general in Shanghai. The present head of the mission is General von Faulkenhauser.

German Circles Deny Handing Over German Tientsin Concession to Japanese

Semi-official German circles in Shanghai Aug. 5 flatly denied *Reuters* report that the German Consulate in Tientsin has facilitated the transfer of the Ex-German Concession in Tientsin to the Japanese, pointing out that following the conclusion of the Great War, the administration of the Ex-German Concession has been returned to the Chinese, and that, therefore, the German Consulate has no right to transfer the Concession to the Japanese. Reports that German firms in Hankow are now taking charge of various Japanese firms with the departure of the Japanese for Japan were also denied by the same circles, the *Sin Wen Pao* of August 6 stated.

Rise of Water in Yellow River Causes Anxiety in Shantung

The rise of the Yellow River in Shantung is again causing considerable anxiety among the people, advices from Tainan stated.

Siang River Rises to Higher Level Than in 1934

Owing to reports that the Siang River in southern Hupeh has risen to a height exceeding the record level of 1934, Fan Hsi-chih, Director of the Kianghan Engineering Bureau, is making an inspection tour of the dykes.

Rise of Han River Causes Grave Concern

Grave apprehension is felt in Hankow over the dramatic rise of the Han River to a record height of 67.16 meters at noon, Aug. 7 over half a meter higher than last year's highest mark.

Antung Flooded as Result of Breaking of Dyke

Boats replaced wheeled vehicles as a means of locomotion on the streets of Antung Aug. 7 as the swollen waters of the Yalu broke through its banks. Four hundred houses had to be evacuated when the flood threatened to engulf them.

Large Tracts on Chekiang Coast Flooded as Aftermath of Typhoon

As an aftermath of the typhoon which raged along the Chekiang coast last week large tracts of farmland in east and west Chekiang have been inundated by the continuous downrush of mountain freshets.

Chinese Banks Refuse to Transmit Funds for Japanese Institution

The *Shanghai Mainichi* Aug. 8 cited as proof that the Chinese Government had decided to break off economic conditions with Japanese merchants that when a certain Japanese bank in Shanghai requested the Central Bank to send a sum of $50,000 to the former's branch office in Amoy, the latter declined to work for it. Similar action was taken by the Bank of China and the Bank of Communications.

Heng Li Bank in Shanghai Suspends Business

The Heng Li Bank in Shanghai suspended business Aug. 9. The bank, with a capital of $750,000, was established in 1928.

Women of Kwangtung Launch Savings Campaign

The women of Kwangtung have decided to launch a savings campaign to secure $100,000 to augment the Government's war chest. Madame Yu Han-mou, wife of the Commander-in-Chief of the 4th Route Army, is at the head of the campaign with 200 teams captained by women leaders in various walks of life. Each member of this Savings Army is required to save at least one dollar a month for the fund, which will be remitted to the front.

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Japanese Budget for 1937-38 Fiscal Year Totals Yen 3,397,000,000—Half Billion for War in China

REACHING new heights, unparalled in war or in peace, the total Japanese Governmental expenditures during the 1937-38 fiscal year will amount to Yen 3,397,000,000, recent reports from Tokyo stated.

Of this amount, the vote for the present North China hostilities will comprise Yen 517,000,000.

1938-9 Budget Will Mount to 3,400 Million Yen, Says Japanese Economist

Isamu Abe, Professor of Economics at Hosei University, writes that the three basic economic principles, drafted jointly by the Finance Minister and Minister of Commerce and Industry, are nothing more than their makeshifts to use up the appropriation for the military. He predicts that the war expenditures for the 1938-39 fiscal year will increase by 300 to 400 million yen and reach 1,700 or 1,800 million yen, and the year's total budget will certainly exceed 3,400 million yen.

The stupendous national spending, continued the writer, is prolific of many untoward consequences, such as the lopsided prosperity benefitting heavy industrialists alone, the negligence of the welfare of rural population and small-scale industry and trade, the failure of manufacturing industry to produce sufficient volume of war supplies, and the inability of financial market to absorb national bonds to be floated afresh. The Government will, therefore, have no alternative but to extend its control over all financial, industrial and commercial fields.

New Japanese Taxation Increase Seen Inevitable in Financial Circles

The *Tokyo Asahi* Aug. 3 states that financial circles at large admit the present taxation increase as being inevitable and justified under the prevailing emergency circumstances. It is generally believed, however, that the new taxation system will serve to give a big shock to the industrial companies and the security market. General opinions in Japanese money market circles relating to the new taxation increase by the Government point out, the *Asahi* said, that under the prevailing emergency situation the taxation advance measure is truly inevitable, although opinions may be divided relating to the advantage of the extraordinary taxation increase measure and the bond issuing measure, in order to raise the funds to cover the expenditures needed for the North China incident.

Japanese Government to Increase Control Over Trade and Finance

The *Chugai Shogyo* Aug. 4 stated that the Japanese Government has been projecting strengthened control over the export and import trade activities by strengthening exchange control and operating a new trade and industry readjustment law with the object of adjusting the international accounts and the supply and demand of commodities, and at the same time, guaranteeing smooth compilation of the national budget likely to expand further under the pressure of the North China Incident.

In view of the increasing necessity of further strengthening the exports and imports of military and daily necessities with the steady development of the North China situation, the Ministry of Commerce and Industry and the Ministry of Finance have considered various counter-measures to be taken to cope with the circumstances, and have decided to embark upon the operation of emergency commodity control or management in order to take care of the developing situation. Preparations in this direction are being made by the experts of the two ministries.

Japan to Ship Gold to London—at Loss, if Necessary

In order to "dispel misunderstandings abroads" the Japanese Government may soon ship gold bullion to London even if that procedure entails a loss, the Tokyo Ministry of Finance revealed Aug. 5.

Japan Adheres to Principle "Localized" Settlement

Japan still adheres to the principle of a "localized" settlement of the North China conflict, Koki Hirota, Foreign Minister, informed a Lower House committee Aug. 5. Asked by Mr. Reikichi Kita, of the majority Minseito party, if he did not believe that friendly Sino-Japanese relations were "impossible without the annihilation of Chinese Central troops," Mr. Hirota evaded the answer.

Sugiyama Says Japanese May Take "Punitive Measures"

It is problematical whether the Japanese forces in North China will be able to maintain their present attitude in face of the "steady advance" north of Nanking's troops, Gen. Gen Sugiyama, War Minister, told the Diet Aug. 5. "The Japanese Army," Gen. Sugiyama declared, "is fully prepared to take punitive measures against the Central Government's troops if they take the initiative."

Diet Asks Cabinet to "Reject" China's Policy

Displaying unanimity unwitnessed in four years, the House of Representative Aug. 6 passed a resolution supporting the Government's policy towards the North China incident. The resolution, moreover, urged the Government to establish "lasting peace" in East Asia by rejecting China's "anti-Japanese policy."

Foreign Minister Hirota Holds Out Little Hope for Settlement

Foreign Minister Koki Hirota, in reply to a question in the Diet Aug. 6 said. "It is hard to discover a ray of hope for a satisfactory settlement, and I believe our army is proceeding with a view to effecting a fundamental solution of Sino-Japanese relations in North China."

Gaimusho Spokesman Says North China Affair "Can Be Settled"

A settlement of the North China incident on the spot can be realised if "the successor of Gen. Sung Cheh-yuan" carries out in full the terms of local agreements of July 11 and 19, a spokesman of the Gaimusho stated in Tokyo Aug. 9.

Chiang Successful in Talks, Says Tokyo Press

Gen. Chiang Kai-shek has achieved the dual objectives of unifying the nation and making provincial leaders share the responsibility for a possible crisis with Japan in the current military conference in Nanking, according to press messages received in Tokyo Aug. 9 from China.

"Asahi" Says Japanese in Tientsin Were Scheduled to Be Massacre

Documentary evidence purporting to show the plans of the Twenty-Ninth Army and the Paoantui to massacre the Japanese civilian population of Tientsin on July 29 was reported by the Tientsin correspondent of the *Asahi Shimbun* Aug. 6 to have been unearthed in North China.

Hirota "Hopes" Anti-Red Fact May Be Extended

Foreign Minister Hirota Aug. 6 told the Diet he "hoped" to "contact" Italy, France and Great Britain on their possible adherence to the German-Japanese Anti-Comintent Pact. The statement was made in reply to a query put by the proletarian Social Masses Party, as to whether or not the accord could be "developed into another Locarno Pact."

Tokyo Recognizes New Bolivian Regime

The Japanese Government Aug. 6, extended a *de facto* recognition to a new Bolivian administration, headed by Col. Busch, a German.

War Correspondents' Status Recognized

For the first time since the World War, the Japanese Army Aug. 4 gave its formal recognition to war correspondents. In an order published in the *Official Gazette*, accredited Japanese newspapermen, photographers, newsreel cameramen and aviators engaged in the transmission of news, were given an official status. They will heareafter be able to draw Army rations and will be provided with free transportation in military convoys on land and at sea.

Donations to Japanese Army Exceed Yen 3,000,000

In one day (Aug. 3), monetary gifts received by the Tokyo War Office totalled Yen 231,663.78, bringing the total of cash donations to the Army, since July 8, to Yen 3,573,695.49. In addition, about Yen 73,000 was given to the Army in the form of comfort bags for the soldiers in the North China campaign.

N.Y.K. Gives Yen 100,000 to Fighting Services

Representing the Nippon Yusen Kaisha and the Kir kai Yusen Kaisha, President Noboru Ohtani Aug. 10 presented Yen 50,000 each to the Army and the Navy.

Japan's Unfavorable Trade Balance Reaches Yen 744,134,000

Japan's unfavorable trade balance since January totalled Yen 744,134,000 on Aug. 10 as imports exceeded exports by Yen 23,847,000 in the last ten days. Ministry of Finance figures placed imports for the decade at Yen 95,472,000 and exports at Yen 71,625,000.

Sugiyama Says Japan Is Losing Patience, Must "Chastise" China

"Japan's patience is nearing a point when she will have to chastise China for the latter's insincerity and injustice," Gen. Gen Sugiyama, War Minister, told the press in Tokyo Aug. 9.

Sugiyama Says Army May Possibly Abandon Present Policy

If the Central Government's troops "dare to menace" the Tientsin-Peiping area, Japan may possibly be compelled to abandon the policy of non-aggravation of the North China incident which she is still pursuing, Gen. Gen Sugiyama, War Minister, told the Diet Aug. 6.

Japan's Major Aim Is Anti-Red Co-operation, Says Foreign Minister Hirota

Reviving one of the three principles of his famous "Three-Point Program," Foreign Minister Koki Hirota Aug. 5 told the Diet that "the major point of our proposals to China consists of co-operation in joint defence against Communism." At least in this respect, he added, co-operation between the two nations is "not impossible." The other two points of Mr. Hirota's program, formulated in the Fall of 1935 in collaboration with the Army, were suppression of the anti-Japanese movement in China and joint economic development of North China by China, Japan and Manchukuo.

"I do not believe," the Foreign Minister told the Diet, "that the present Sino-Japanese impasse can be broken by armed force alone."

Side by side with military operations in North China, the Japanese Government is conducting diplomatic negotiations with Nanking to secure the latter's reconsideration of its stand, he added.

The Japanese Government, Mr. Hirota declared, wants to settle the North China incident on the spot, and "at the same time, effect a fundamental readjustment of the whole range of Sino-Japanese relations."

Chinese Protest Not Included in Tokyo Educational Conference

A *Reuter* message from Tokyo, Aug. 6, said that a memorandum by Dr. Hu Shih and Dr. Chiang Mon-lin, the well-known Chinese intellectual leaders, placing on record their protest against the Japanese bombing of Chinese schools and educational institutions in North China, would not be included in the agenda of the World Education Conference, largely as a result of the belief of the Chairman, Dr. Paul Monroe, that the Conference should steer clear of political issues.

Foreign Educators Asked to Expose Japanese Atrocities After Their Return Home

A request that the delegates to the Seventh World Educational Congress now in progress in Tokyo expose the atrocities committed by Japanese troops in North China following their return to their respective countries was contained in a telegram sent Aug. 6 by a number of Chinese educational and cultural associations to Dr. Paul Monroe in Tokyo.

World Educational Conference Decides to Establish Centers of International Peace

The World Education Conference in Tokyo came to a close Aug. 8. Perturbed by the war clouds hanging over the Orient, the Conference moved to establish chairs of international peace in all large educational institutions.

Also decided was the creation of International Education Halls in major cities of the world. China was not represented at the conference.

Japan Stops China Ore Purchases—New Sources Sought

With a last shipment on Aug. 3, all Japanese purchases of Chinese iron ore in the Yangtze valley have ceased. Confronted with an iron famine, various Japanese firms are now feverishly engaged in acquiring new sources. The Japan Iron Pipe Co. has been informed that the New Caledonia authorities are agreeable to their purchase of a mine there owned by a Frenchman.

Diet Adjourns—Prominent Feature Was Resolution to Check China's "Anti-Japanese" Policy

The Seventy-First special session of the Japanese Diet was formally concluded Aug. 8. Convoked on July 25, in a warlike atmosphere, the Diet devoted a major portion of its attention to bills appropriating funds needed in connection with the North China incident. Of the 35 measures submitted by the Government, only one, providing for reforms in the jury system, failed of passage.

Both Chambers passed resolutions approving of the Government's stand in the current crisis and urging it to take determined stops to establish "lasting peace" in East Asia by checking China's "anti-Japanese policy."

Premier Konoye expressed his satisfaction with the speedy passage of the Government's legislation and the appropriation of large sums of money in connection with the incident in North China. The latter, he added, shows that the members of both Chambers realized the gravity of the crisis and the great need for concerted effort."

Nanking View Is that Japanese Nation Has Sacrificed Conscience

The reaction among Nanking officialdom to the Diet's resolution was that the Japanese nation had sacrificed its conscience by bowing before the Militarists.

In the United States Court for China

In re.	Cause No. 4221
Last Will and Testament, of	Special Proceedings No. 2100
MINNIE OVIATT AND GENEVIEVE OVIATT, Deceased.	ORDER
	Filed at Shanghai, China, this 3 day of August, 1937. William T. Collins, Clerk. By-E. J. Collins, Dep. Clerk.

ORDER.

The Court having duly considered the application of the Administrator in the above entitled cause for an ORDER admitting the Will of Minnie and Genevieve Oviatt, Deceased, for probate, and it appearing to the Court that there is confusion relative to which is the proper Will of the decedants in this cause, it is therefore ORDERED AND DECREED that a hearing of this cause be held by the United States Court for China in the court room thereof in Shanghai, China, on the 2nd day of November, 1937, at 10 o'clock in the forenoon for the purpose of officially reading and receiving proof of the execution of the Last Will and Testament of Minnie Oviatt and Genevieve Oviatt, Deceased, each, in order for the Court to determine which is the Last Will and Testament of each of the above named decedants to be probated in this Court.

AND FURTHER for the Court to hear any objections to the probate of said Will should any objections be made by any person or persons interested therein.

IT IS FURTHER ORDERED that the Clerk of this Court be and is hereby instructed to mail by registered post a copy of this ORDER to the persons and organizations hereinafter mentioned, as follows, to-wit:

1. Walter E. Wood, nephew, Campbellsville, Kentucky.
2. Mrs. Russel C. Fothergill, niece, 32 Wickstead Avenue, Mount Royal, Montreal, Canada.

and all unknown heirs and next of kin.

3. Christian and Missionary Alliance, Mission in China, Wuchang, China.
4. China Inland Mission, Shanghai, China.
5. Ting Sien Ch'ang—Wuhu, } Ting Tsuen, — „ } C/o Howard Van Dyck,—Wuhu.
6. D.M. Stearns Mission, c/o Miss Dunkelberg, West School Lane, Germantown, Pennsylvania.
7. Rev. William Shantz,—Wuhu,
8. Rev. Howard Van Dyck, „
9. Mrs. William G. Davis, „
10. Mrs. William Shantz, „
11. Mrs. James Smith, „

Additional parties mentioned in purported Will of Minnie Oviatt and not mentioned in Joint Will of Minnie Oviatt and Genevieve Oviatt.

12. Rev. Harry Westnidge, C/o S.M.C. S'hai.
13. Miss Stella C. Dunkelberg, West School Lane, Germantown, Pennsylvania,
14. Mrs. Uen, Faith Mission Wuhu.
15. Mrs. E. Smith, „
16. Mrs. Tom Shantz, „

And a copy of this ORDER be published in three successive weekly issues of the CHINA WEEKLY REVIEW, a newspaper of general circulation in this City, commencing with the 7th day of August, 1937.

BY THE COURT,
MILTON J. HELMICK
Judge.

Clash at Airdrome Results in Deaths of Two Japanese, Two Chinese

Two Japanese naval officers and one member of the Chinese Peace Preservation Corps were killed as the result of an armed scuffle near the Hungjao airfield (lying to the west of the Shanghai International Settlement) at 5.30 p.m. Aug. 9.

An additional casualty was Yang Chen-ling, mafoo in the employ of H. F. Seitz, an employee of the Standard-Vacuum Oil Co. living in Great Western Road, who was wounded by a stray bullet in Hungjao Road at the time of the affray, who died in in Chungshan-Hsopital early the following morning.

The Chinese account of the incident, which seems quite probable, is that it started when two Japanese officers, riding in a motor car, insisted on entering the Hungjao airfield despite warning by Chinese guards there. As the motor car was speeding into the airfield, the Chinese guards attempted to stop it. The Japanese officers thereupon took out their pistols and opened fire. The Chinese guards, however, did not return the fire but hid themselves, as they had previously received orders not to open fire if small groups of Japanese were seeking to create disturbances. During recent days, it was learned, Japanese nationals occasionally visited the vicinity of the airfield for the purpose of "spying."

Upon hearing gun firing, members of the Peace Preservation Corps rushed to the scene for the purpose of investigation. The Japanese officers thereupon opened fire on the Paoantui members, killing one of them.

The Paoantui members returned the fire, killing one of the two Japanese instantly and hitting the other, who immediately took to his heels. But before he could run very far, he collapsed and died of wounds.

Japanese Naval Landing Party Statement

A statement issued by the Japanese Naval Landing Party the following morning said:

"Sub-Lieutenant Isao Ohyama, Commander of the First Company, was motoring at about 5 o'clock last night along Monument Road, an extension road of the International Settlement of Shanghai. Seaman Yozo Saito, First Class, was at the wheel. The automobile was suddenly surrounded by members of the Peace Preservation Corps, who fired upon the automobile with machine-guns and rifles. Sub-Lieutenant Ohyama was killed outright, many bullets lodging in his body. Investigators found his head and abdomen riddled with bullets. The windshield was broken into small pieces, while the body of the automobile bore numerous bullet marks. The entire picture was one of extreme brutality by members of the Peace Preservation Corps. Monument Road is an extension Road of the International Settlement of Shanghai and foreigners have free use of it. The Chinese have recently constructed defence works and sand-bag barricades, and set land mines around Shanghai. At night, people were prevented by the military from using the road. Even in the day time, the military dared to search the passers-by, threatening the latter with pistols. These actions on the part of the Chinese clearly formed not only a violation of the Shanghai Truce Agreement but also presented an insult to the foreign residents of the International Settlement.

"The Special Naval Landing Party of the Imperial Japanese Navy is now ready to seek a thorough solution of the incident. While assuming a fair and firm attitude, it will demand that the Chinese authorities bear the responsibility for this illegal act."

Mayor Yui Expresses Regrets to Japanese Authorities

Mayor O. K. Yui, on being informed of the incident, expressed his regrets to the Japanese authorities, but at the same time insisted that it was a fact that the Japanese officers were trying to force their way into the airdrome. It may be mentioned that this same airdrome was destroyed by Japanese bombing planes during the Shanghai war of 1932.

Consul Okamoto in replying to Mr. Yui said the incident was of a very grave nature, regarding which all terms should be reserved pending instructions from the Japanese Government.

Chinese allegations that the Japanese naval landing party staff car had sought to enter the gate of Hungjao airport were formally retracted by Lieut.-Col. Chao Yu-hsien, chief adjutant to Gen. Yang Hu, commander of the Shanghai-Woosung garrison headquarters, on Tuesday noon, the *Shanghai Nippo* reported.

Whatever the rights of the clash are, however, it is freely predicted that it will result in a demand by the Japanese for the withdrawal from the Shanghai area of the Peace Preservation Corps, on the grounds that, in violation of the Shanghai "truce" of 1932, they include in their ranks a number of regular soldiers.

It is significant that an official news bulletin from Tokyo during the night stated that the situation in Shanghai was considered to be even more serious than it was immediately prior to the outbreak of the Sino-Japanese hostilities in 1932.

The *Shanghai Nippo* commented: "The latest incident has proven beyond the question of doubt that the Chinese have reinforced the Paoantui not to maintain peace in Shanghai but to take a definitely provocative attitude towards Japan."

The bridge crossing Rubicon creek has been wired to be blown up if need should arise, according to the Shanghai *Nichi-Nichi*.

The Shanghai correspondent of the *Tokyo Asahi*, alleged that "in murdering the Japanese naval officer and a bluejacket, the Chinese had violated two international agreements." These, he said, were the Sino-Japanese truce agreement of 1932, whereby the Chinese were prohibited to station troops and construct defence works in the vicinity of Shanghai, and the Shanghai Land Regulations, which provide for the free passage of foreign residents over extension roads of the International Settlement.

A Joint Sino-Japanese Investigation

A joint Sino-Japanese investigation into the Hungjao Airfield incident was held on the spot the following morning. The Chinese side was represented by Y. L. Chow and T. Y. Chang, Secretary-General and Secretary respectively of the City Government of Greater Shanghai, Adjutant Chi Wei-sheng of the Shanghai-Woosung Garrison Headquarters, and Captain Wang Ta-sui of the Police Bureau; on the Japanese side were Superintendent K. Kasumi of the Shanghai Japanese police, Noritake Yoshioka, senior Japanese Consul, Y. Fukui, Chancellor, Lieut.-Commander Minoru Tajiri of the Japanese Naval Attache's Office, Lieut.-Commander Eiichi Yamanouchi, Staff officer of the Japanese Naval Landing Party, and several other Japanese officials. Several detectives from the Shanghai Municipal Police also participated in the investigation, but officially the Shanghai Municipal Council is taking no part in the investigations as Monument Road is under Chinese jurisdiction.

Was Lieut.-Ohyama Armed?

The Japanese Landing Party in Shanghai alleges that Lieut.-Ohyama carried no revolver during the attack, while Saito's revolver was suspended across his shoulder and could not, therefore, have been used while Saito was driving the car.

According to Chinese information, the weapons belonging to the Japanese, including a revolver and a bayonet, are in the custody of the Chinese. The revolver (registered pistol number 6816) was said to have been picked up beside Lieutenant Ohyama's body.

Japanese Navy Ready to Mete Out Retribution

A decision to "mete out retribution" to the Chinese troops, if the latter continue to maintain their "insincere and challenging" attitude, was reached at an emergency conference of the Navy's highest officials in Tokyo Aug. 10 A major part of the meeting was devoted to a study of reports on the Hungjao Road incident. Participating in the conference were:—Admiral Mitsumasa Yonai, Navy Minister; Vice-Admiral Isoroku Yamamoto, Navy Vice-Minister; Vice-Admiral Soemu Toyoda, Director of the Navy Ministry's Naval Affairs Bureau; and others.

Evidence that "a will to maintain peace and order" was lacking among the Chinese was discerned by Rear-Admiral Tadao Honda, naval attache to the Japanese Embassy, in the Monument Road shooting case.

Japanese Military Authorities Discriminate Against Foreign Photographers and Newsmen

The Japanese military authorities have clamped down a strict and effective control over news and photos from North China war areas, the American public was informed Aug. 6 by a special dispatch from Tientsin to the *New York Times*. While Japanese movie photographers and cameramen are provided with all facilities, and their negatives are rushed by air to Japan, where they are redistributed to the world, foreign correspondents and photographers have been warned against taking pictures, the *Times* report revealed. Foreign newsmen and photographers, the dispatch continued, were often prevented at the point of bayonets by nervous Japanese soldiers.

By delaying news to the foreign correspondents the Japanese military cleverly contrive to have their version get to the world, broadcast through Tokyo, thereby creating in advance an impression intended to be favorable to Japan. In many instances the Japanese took over the Chinese telegraph and radio stations and removed vital parts.

Military Training for Chinese Said Violation of Truce Agreement

The *Shanghai Mainichi* of Aug. 4 in reporting that orders of conscription were being enforced in Shanghai by the Chinese authorities commented that this action on the part of the Chinese is regarded as a direct violation of the Shanghai Truce Agreement.

General Chiang Kai-shek Determined on Resistance Against Japanese

"Generalissimo Chiang Kai-shek is most determined on resistance against Japan" stated Shen Chun-ju, leader of the seven national salvationists, shortly after his interview with the Generalissimo in Nanking Aug. 4.

Japanese War Office Assigns Extra Officers to Air Service

The Tokyo War Office Aug. 7 transferred 131 officers to the flying branch from other services as a move to strengthen the country's air force. Included were 13 colonels, 20 lieutenant-colonels, 42 majors, 22 captains, and 34 lieutenants. They formerly belonged to the cavalry, infantry and artillery.

Japan to Have Air Defense Bureau

With the enactment next year of the anti-aircraft defense law now being drafted, a Bureau of Aerial Defense will be established in the Home Office, Dr. Baba, Minister of the Interior, announced in the Tokyo House of Peers Aug. 5.

Japanese Plane Shot Down at Toutienchen

Kuo Min says a Japanese airplane was shot down Aug. 3 at Toutienchen, which is 7 miles south of Liangsiang and 6 miles north of Liuliho on the Peiping-Hankow Railway. The two Japanese pilots died from the wounds sustained. Two civilians were injured when the plane fell.

Nanking Makes Preparations to Resist Air Raids

Nanking observers foresee that the Japanese armed forces will subject Nanking to an aerial bombardment in case of wide-spread hostilities. One hundred first-line aircraft, *Domei* stated, have been concentrated near Nanking. The hills around Nanking, it was stated, form a bristling ring of anti-aircraft guns. Particularly heavily fortified were Lion Hill, Purple Hill and the Kiangning fortress.

By Order of General Chiang Kai-shek, all precautionary measures against air raids have been instituted by the various schools and Government organs at the Capital.

Effective measures for the protection of the capital against any air attacks have been completed, according to Lang Kwei-ti, Secretary-General of the Nanking Air Defense Association. The Association, has been busy giving emergency training to all its members, preparing sufficient air defense equipments and purchasing gas masks. A city-wide propaganda campaign has been launched by the Association to arouse the public to the urgent necessity of adequate defense against aerial attacks upon the capital. The Association has also circulated pamphlets and handbills, instructing the populace on the simple air defense knowledge and anti-gas methods as many cannot afford to purchase the gas masks which are being sold at local stores at $11 each. A set of air-defense slogans are posted all over the city. "Be Prepared, for the enemy plane may come any moment and drop bombs', says one slogan, posted at prominent places in the city.

C. N. A. C. Plane Crashes 90 Miles North of Hongkong—Three Occupants Missing

The China National Aviation Corporation's air liner *Chekiang*, which carried seven passengers and a crew of four, crashed early Aug. 9 in the vicinity of Chilang Point, 90 miles north of Hongkong, from which port the plane had departed about an hour earlier. Bad weather was blamed for the crash in a statement issued by the C.N.A.C. the following day.

Eight persons rescued from the plane are recuperating in hospital in Hongkong. A Chinese Customs cruiser is searching for the three who are missing: Orenberger, the American co-pilot and two Chinese radio operators. Edward Smith, the pilot, was rescued by the British destroyer *Thracian*." All the passengers paid tribute to the pilot's skill in averting a more serious accident. Although he himself was injured in the crash, Mr. Smith gallantly but vainly attempted to save the life of one of the radio men. The passengers likewise praised E. M. Walsh, representative of Curtiss-Wright Aviation Corporation, and Wang Pao-shin, C.N.A.C. employee, both of whom were instrumental in getting life-belts to the remaining passengers and assisting them from the wreck.

Huge Purchases by China of American Airplanes

A recent report from Tokyo concerning a $5,000,000 order from China for American bombers was not substantiated in Washington. It appears, from an examination of the records of the Munitions Board, that the report referred to the total value of exports of all planes, civil and military, to China during the last eighteen months. Since the Munitions Board began operations in December 1935, American manufacturers have shipped to China 130 airplanes valued at $4,651,576. In addition, permits were granted last month for a total of $293,226.

Tennis is again in full swing. How is your game?—Are you at the top of your form, or do you find you tire easily, become exhausted after a set or two? If the latter is the case, and providing your heart and lungs are sound, there is but one explanation; and that is impoverishment of the blood.

It is from the blood that all the organs and tissues of the body derive nourishment, so to perform their duties properly they must be supplied with good, rich, red blood. If the blood is thin, weak, and depleted it will not be long before ailments due to this condition assail you, for example digestive troubles, nervousness, insomnia, back pains, neuralgia, rheumatism, loss of energy depression, to mention but a few. To create fresh supplies of rich, red blood, and so to build up health and strength, there is no quicker or more effective way than by taking a course of Dr. Williams' Pink Pills. The prescripition of an eminent physician an M.D. of Edinburgh University, Scotland, these pills were especially designed for the building up of the blood, and the many thousands of anaemic sufferers who have thereby regained health and strength afford ample proof of the reliability of this remedy.

Equally good for men, women and growing boys and girls, Dr. Williams' Pink Pills have stood pre-eminent as a blood builder and blood purifier for the past fifty years. Try them yourself, they will surely do you good. Obtainable from chemists everywhere.

In the United States Consular Court at Shanghai

O. E. LINQUIST, Plaintiff,
vs.
MRS. O. E. LINQUIST, and COMMERCIAL EXPRESS & STORAGE COMPANY FEDERAL INC., U.S.A. ET AL Defendant.

Cause No. 2002

ORDER

Filed at Shanghai, China, This 4th day of August, 1937.

WILLIAM T. COLLINS, Clerk.

The object of this suit is to replevin property in the possession of the above named defendants.

WHEREAS, plaintiff herein, has on the 23rd day of July, 1937, filed a Moton for the substitution of publication for personal service upon the defendant. Mrs. O. E. Linquist, for the reason that the said defendant is a non-resident of this jurisdiction; and

WHEREAS, plaintiff has, by his attorney, filed an Affidavit stating that the said defendant has not resided in China since December 2, 1936, and that defendant's last known address was Room 301, 24 Central Road, Shanghai,

NOW THEREFORE, it is this 4th day of August, 1937, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the "China Weekly Review", a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause her appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 7th day of August, 1937, the day of first publication of this Order; otherwise the case will be proceeded with as in case of default.

N. E. LURTON
United States Commissioner,
Ex-Officio Judge of the Consular Court for the District of Shanghai

Japanese Ambassador Kawagoe Arrives from the North to Open Negotiations

Reportedly hurrying back from the North in a final effort to avert a major Sino-Japanese crisis precipitated by the North China situation, Shigeru Kawagoe, Japanese Ambassador to China, arrived in Shanghai Aug. 7 from Dairen. The Japanese envoy was greeted at the wharf by a large group of Chinese and Japanese officials, including Chow Chueh, Secretary of the Waichiaopu, Chen Min, Assistant Director of the Waichiaopu's Shanghai Office, and Mr. Okamoto, Japanese Consul-General in Shanghai.

After exchanging greetings with those at the wharf, Mr. Kawagoe motored to his residence at Route Pichon. According to quarters close to him Mr. Kawagoe has made no plans immediately to proceed to Nanking to start diplomatic negotiations with Chinese authorities. He will, however, watch the situation carefully in Shanghai.

On his arrival in Shanghai, Mr. Kawagoe reiterated his determination "to exhaust all diplomatic steps" for a solution of the present Sino-Japanese crisis. In a brief statement read to the Japanese press at his official residence on Route Pichon, the envoy declared: "The Sino-Japanese situation is grave and delicate and the circumstances seem to me to be gradually pointing towards a dangerous crisis. I intend to exhaust all diplomatic steps." Beyond this, the ambassador declined to comment.

A Nanking spokesman, questioned in the Government's attitude in case, Mr. Kawagoe desired to open negotiations said such negotiations might be entered into at anytime as long as diplomatic relations continued to exist between China and Japan. He emphasized, however, that Sino-Japanese relations had reached such a critical stage that the issue of peace or war would have to be determined at this very moment. "It is still not too late to avert a disastrous conflict by strong determination and greatest efforts on the part of Japan towards that end," the spokesman declared. "Failing such efforts," he added, "it would be difficult to discover any ray of hope for peace."

The Chinese Government's attitude is that China is anxious to avoid a war but would not hesitate in massing her strength to resist Japanese aggression if Japan seeks to force her acceptance of terms contrary to her announced policies of protecting sovereign and territorial rights. It is declared that China's minimum stand in the forthcoming negotiations will be the return of the status in North China as it existed before the night of July 7 when the Japanese military started operations.

Discussing Mr. Kawagoe's visit, the *Shanghai Mainichi* Aug. 10 commented: "Even though General Chiang desires to evade a frontal clash with Japan, yet his stand is involved in extreme complications; that is, he is rendered impossible to adopt a positive means to avert a frontal clash with Japan. Should the Generalissimo openly ask for peace from Japan, he will immediately collapse, since the general comment prevailing in China has not only demanded of General Chiang to offer military resistance to the Japanese advance in China but also stage a counter-attack against them for the recovery of our lost territory and sovereign rights. Under such circumstances, peace or war can hardly be presaged."

Commenting on Mr. Kawagoe's forthcoming visit to Nanking the *Ta Wan Pao*, Aug. 7 commented: "As far as we can make out, the objects of Mr. Kawagoe's visit to Nanking are: To conduct so-called diplomatic negotiations so that the Japanese troops may have ample time to consolidate their positions in North China; also to get some idea of whether or not Nanking is really determined to resist Japanese aggression. His principal object is to force China to join in an Anti-Red Front. By virtue of a so-called joint Anti-Red Pact, Japan may intensify her control over China and, at the same time, she can use North China as a base of operations against the Soviet Union."

Interviewed at Tsingtao Aug. 6, Mr. Kawagoe said: "Concerning the resumption of negotiations for a readjustment of Sino-Japanese relations, I have not yet received instructions from my Government. Judging from the latest events, the relations between China and Japan have become much worse. It appears that war is inevitable."

Movements and Appointments in Diplomatic and Official Circles

Dr. Alfred Sze, former Chinese Ambassador to the United States, arrived in Shanghai from Tsingtao Aug. 6, and later proceeded to Nanking.

T. V. Soong, member of the Standing Committee of the National Economic Council, conferred with Generals Chiang Kai-shek, Yen Hsi-shan, General Pai Chung-hsi, and Yu Han-mou in Nanking, Aug. 6.

Gen. Sung Cheh-yuan, who recently resigned from the command of the Twenty-Ninth Army, is stated to have gone from Paoting to Hokien, in central Hopei.

Reports to the effect that Dr. T. F. Tsiang, Chinese Ambassador to the U.S.S.R., would return to China, in the near future are found to be incorrect.

Hsieh Kwan-sheng, Secretary-General of the Judicial Yuan, was appointed Minister of Justice by the Central Political Council Aug. 4 to succeed Wang Yung-pin, who was relieved of his post.

Lieut.-Gen. Sun Tien-ying, Commander of the Peace Preservation Corps in north Chahar, arrived in Nanking Aug. 8, where he discussed with the Generalissimo defense problems in north Chahar.

Returning hurriedly from America by Trans-Pacific airplane, Lieut.-General Hsiao Chen-ying, former Mayor of Tientsin and a close sub-ordinate of General Sung Cheh-yuan, arrived in Nanking from Shanghai Aug. 8. After calling on General Chiang Kai-shek, Lieut.-General Hsiao proceeded northwards to Paoting, to consult Lieut.-General Feng Chih-an.

General Liu Hsiang, Chairman of the Szechwan Provincial Government, called on Dr. Wang Chung-hui, Minister of Foreign Affairs, Aug. 9.

Gen. Yu Han-mou, Pacification Commissioner for Kwangtung, arrived back in Canton Aug. 9 by plane from Nanking where he had conferred with Gen. Chiang Kai-shek.

Accompanied by his wife and Dr. Sih Kwang-tsien, Signor Alberto de Stefani, Italian Adviser to the National Government, returned to Nanking Aug. 10 from Kuling.

Paul Naggiar, French Ambassador to China, called on Hsu Mo, Vice-Minister of Foreign Affairs, at the Waichiaopu, Aug. 10.

Gen. Chang Tzu-chung Refuses to Continue as Bogus Council Chairman

Following rumors that his relations with the Japanese had become very strained, General Chang Tzu-chung, Commander of the 38th Division, Aug. 6, announced his resignation from the chairmanship of the Hopei-Chahar Political Council on the plea of ill-health. General Chang entered the P.U.M.C. hospital Aug. 7.

Domei said Gen. Chang had made a vigorous, albeit unsuccessful, bid for the chairmanship of the newly created Peace Maintenance Commission. The formation of the latter automatically deprived him of his concurrent post as acting Mayor of Peiping.

Meanwhile, the administration is to be carried on by a committee of five members of the Council, comprising General Chih Hsieh-yuan, General Chang Yun-yung, General Chang Pi and Messrs. Chia Teh-yao and Li Shih-hao.

It is understood that General Chang found his position untenable owing to pressure on him to adopt a definite stand against Nanking.

The *Sin Wen Pao* said General Chang had "fled" to the Legation Quarter in Peiping "for safety's sake."

It was reported previouly that a high Japanese official in North China had openly expressed non-confidence in Gen. Chang.

Hopei-Chahar Council to Be Replaced

The impending replacement of the Hopei-Chahar Political Council by a Hopei-Chahar Assembly, comprising delegates from all hsiens in the two provinces, was reported Aug 6. in messages from Peiping.

At its inaugural meeting, "which is to be held shortly," the reports said, the body will pass a resolution expressing opposition to the entry of 'Southern' troops into the two provinces and voicing determination to protect the latter from the "Horrors of war."

Chih Tsung-mo, acting chairman of the East Hopei Autonomous Government, departed from Tientsin Aug. 9 for Tongshan where the new seat of his administration will be located. He was accompanied by about 15 officials.

Puppet Organ in Peiping Issues Manifesto

A manifesto was issued by the Peace Preservation Commission in Peiping Aug. 2 to the effect that the Commission had been organized by the local gentry and various organizations with the object of preserving local peace and order and protecting the welfare of local residents, in anticipation of a good turn of the existing situation.

The Hankow City Chamber of Commerce has telegraphed to the Chambers of Commerce in Peiping and Tientsin, urging them to refuse to participate in the puppet "peace maintenance committees" created by the Japanese military.

Japanese Report of Coup in Nanking Belied by Facts

Japanese reports that Gen. Ho Ying-chin, Minister of War, had been "detained" and Wang Ching-wei, Chairman of the Central Political Council, had been "shot and killed," were circulated Aug. 8. The facts are that Gen. Ho Ying-chin was among those present at a luncheon party given by Gen. Chiang Kai-shek and that Wang Ching-wei was also one of those present at the luncheon thus demonstrating by their physical presence the falsity of the Japanese assertions.

Who's Who in China

張 鈺
Chang Yueh

Chang Yueh, Government official; born at Hsien-Hsien, Hopei, 1892; graduate of the first Class of the Paoting Military Academy; served successively as battalion commander; regimental commander; chief of staff of the 5th Division of the Kuominchun (Gen. Feng Yu-hsiang's Army); chief of staff of the Headquarters of the Tutung (Military Governor) of Chahar; vice-superintendent of Military Stations of the Kuominchun; advisor to the Honan Provincial Government; chief of staff of the 1st Group Army of the Anti-Rebel Forces; director of the Department of Counsellors of the Headquarters of the Bandit-Suppression Forces for Shantung and Honan; now member of the Shantung Provincial Government with the rank of Lieutenant-General; address: Shantung Provincial Government, Tsinan, Shantung.

張鈺，河北獻縣人，現年四十六歲，保定陸軍軍官學校第一期畢業，曾任連長營長團長，國民軍第五師參謀長，察哈爾都統署參謀長，國民軍兵站副總監，河南省政府顧問，討逆軍第一集團軍總參謀長，魯豫清鄉督辦公署中將參事廳廳長，現任山東省政府委員陸軍中將。

Cathay-Grand Theater Reports Satisfactory Year's Work

The first annual meeting of shareholders in the Cathay-Grand Corporation (formed on Sept. 1, 1936) was held in Shanghai Aug. 5, when the following officials were elected for the ensuing year:—Percy Chu, C. D. Culbertson, C. S. Franklin, A. R. Hager, and Dr. George Sellett.

The Chairman, A. R. Hager, stated that in spite of the depressed conditi ns which have existed and which most corporation reports refer to, the joint receipts of the Cathay and the Grand Theatres have been maintained at practically the same figure as for any similar period during the past two years. Contracts with film distributors, as compared with the previous year, show a small increase in the percentage of gross receipts payable to the film companies as film hire. This, however, has been offset by economies that have been effected in the general operation of the theatres.

As regards the prospects for a dividend, Mr. Hager said the plan under which the Corporation is formed provides that there must remain sufficient working funds for the company to continue doing business and the provision is that the directors may permit the management to accumulate a surplus up to $100,000, before beginning the payment of dividends. He was glad, he said, to be able to report progress towards such an accumulation.

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CUSTOMS NOTIFICATION NO. 1593.

The public is hereby notified that, in accordance with Government instructions, the export abroad and to Manchuria, including Dairen, of rice is provisionally prohibited.

CHU CHANG-NIEN,
Superintendent of Customs.

L. H. LAWFORD,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 9th August 1937.

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Men and Events

Feng Wei-kuo, second son of General Feng Yu-hsiang, was one of the officers of the 38th Division, who lost his life in the defense of Nanyuan, July 28.

James Elder, who has been serving as adviser to General Chang Hsueh-liang, the "Young Marshal," departed this week for Vancouver, accompanied by his wife.

A collection of rare Chinese porcelain was sold at Sotheby's, the London art dealers, recently for £14,958. The highest price paid for one piece was £640 for a wine pot of the Kang Hsi period.

Hitting back at alleged rice profiteers, the Japanese Emergency Council, recently-organized civic body in Shanghai, has begun the sale of the staple at official prices at the Japanese Central Primary School on Range Road.

Representing 70 million Chinese Mohammedans throughout the country, the leaders of the various Moslem organizations have organized an association for the support of national resistance against Japanese aggression.

E. W. Razlag and Christine Diemer were married in Shanghai, July 30, 1937. Mr. Razlag is connected with the advertising department of the Siemens China Co. Miss Diemer has been connected with *Reuters* for about five years.

A Chinese policeman, Chang Ching-hsien, was killed at Amoy Aug. 9 by an unidentified "traitor," according to a *Central News* telegram. Following the shooting, the "traitor" took refuge at the home of a Formosan, by the name of Wu Tien-yuan.

Following the expulsion of three German journalists from Great Britain, the German authorities this week asked the *London Times* to withdraw Norman Abbutt, its chief correspondent in Berlin, within a fortnight, failing which his permit to remain in Germany will be withdrawn.

Considerable speculation has been aroused in Evangelical circles in Germany by an announcement that the trial of Dr. Martin Niemoeller, leader of the Confessional Church, on charges of "misusing the pulpit, inciting disobedience to state decrees and reading out the names of those who seceded from the Church," has been postponed indefinitely.

A decision to impose a surtax on hotels, restaurants and amusement places in order to boost the war fund was adopted Aug. 6 by the Nanking War Aid Association. The surtax on feasts at hotels and restaurants is rated at 5 per cent. The Finance Bureau of the City Government is entrusted with the duty of collection of the surtax. The tax will be effective from date for three months.

The University of Michigan (Ann Arbor) is conducting an intensive reading course in Chinese during the current summer session. Dr. George A. Kennedy, lecturer in Chinese at Yale University, who was born in China, is directing the course, which is being attended by 20 students. Among the sudents is Miss Suzanne Wunder, of New York City, who is attending on a scholarship.

The engagement is announced of H. J. Timperley, well known journalist, and Miss Elizabeth Jane Chambers, daughter of Dr. and Mrs. Charles Lewis Chambers of Des Moines, Iowa. The marriage is to take place Aug. 28. Mr. Timperley is China correspondent for the *Manchester Guardian*, advisory editor of *Asia* magazine and a contributor to the *Christian Science Monitor*. Miss Chambers is connected with the Ministry of Railways at Nanking.

Mrs. Theodore Roosevet, Jr., wife of the former Governor-General of the Philippines, accompanied by her son, Quentin, was a visitor this week to Nanking, where she was entertained by Madame Chiang Kai-shek. The Roosevelt's made the trip to Nanking in a C.N.A.C. plane flying from Chengtu, Chungking and Hankow. They are staying in Shanghai for a few days awaiting the arrival of the s.s. *President Jefferson*, on which they will sail for the United States, Aug. 17.

Dr. E. Stanley Jones, member of the Methodist Church Mission in India, who arrived in Shanghai last week and attended conferences in Mokanshan, was scheduled to return on Friday, Aug. 13. Dr. Jones is an active member of the Federal Council of Churches in the United States and is well known as a writer of books dealing with religious and mission subjects, one entitled "Christ of India," being widely read. Dr. Jones was the guest of Dr. and Mrs. J. C. McCracken at their home on Ave. Petain on Monday evening, Aug. 9.

Dr. Ben Dorfman, member of the U. S. Tariff Commission, Washington, D. C., has been appointed economic adviser to the U. S. Philippine Committee and is now on his way to Manila where he will assume his new duties. He is accompanied by Mrs. Dorfman on the *President Hoover* which sailed from San Francisco on July 24. Dr. Dorfman, previously a member of the faculty of the University of California, served as an adviser to the Lytton Commission which investigated the Manchurian incident on behalf of the League of Nations in 1932-1933.

The Shanghai Municipal Council on the night of Aug. 4 barricaded two properties in Ferry Road in retaliation for the owners of unregistered property in said area refusing to pay the land tax. In adopting this measure, the Municipal Council used the same tactics as were used in Yu Yuen Road about a year ago, the difference being that in the present instance the land lies within the Settlement whereas in the former case the premises were located on Chinese-controlled territory. The barricading process last week produced results immediately, the landowners paying the outstanding taxes the following day.

Judge Milton J. Helmick Aug. 5 dismissed the action of Olma Chemicals Ltd. in the U.S. Court for China to recover from H. B. Campbell, paint manufacturer, $20,000 in damages for the alleged illegal use of the firm's trademark. In his judgment for the defendant, Judge Helmick stated that "it is universally held that the satisfaction of a judgment recovered against one is a bar to further action against the others." The opinion pointed out that the decision was based on the fact that the plaintiff had prosecuted B. L. Cooper, an agent and employee of H. B. Campbell, both criminally and civilly in the Chinese Courts where he was fined and where plaintiff recovered judgment for damages in the sum of $600.

Huge Throngs of Chinese Evacuate Chapei—Crowd Foreign Areas

A huge exodus of Chinese from Chapei and the outlying districts of Hongkew to the International Settlement and the French Concession took place this week, as a result of which thousands of houses that had lain empty for a year or more have been filled to overflowing with Chinese tenants at rentals above the usual scale. Notable among the businesses that transferred their valuables from Chapei to foreign areas were pawnshops. The flight of these Chinese was due to rumors that the Japanese contemplated military action during the next few days.

By land and by sea, the citizens of China's capital were fleeing to the countryside and to safety of foreign concessions in Shanghai. All trains leaving Nanking for several days were packed to capacity. Reservations were booked three to four days ahead on most vessels.

Illegal activities of the Peace Preservation Corps in Chapei were blamed by the *Shanghai Mainichi* this week for a huge exodus of Chinese from outlaying districts into the Settlement, the French Concession and Nantao.

Foreign and Japanese Police Barred from Chinese Areas

Japanese and foreign members of the Shanghai Municipal Police have been warned against proceeding into Chinese controlled areas because of possible complications such action might precipitate, the Shanghai *Nippo* reported Aug. 4, The Council, the Japanese daily added, disclaims any responsibility for the consequences should any Japanese or foreign officer disregard this order.

Former Netherlands Law Partner Sues Member of American Bar

J. L. Winkelman, a Netherlands subject, was plaintiff in the U.S. Court for China this week in a suit against Roy G. Allman for an order cancelling and rescinding a co-partnership agreement between the two lawyers dated Sept. 30, 1936, and for the recovery of U.S.$6,500 plus interest since May 17, 1937, plus cost and attorney's fees. The case came on before Judge Milton J. Helmick. Mr. Winkelman was represented by H. G. Nelson; H. D. Rodger was counsel for the defendant.

Evidence was given Aug. 10 by the plaintiff, Henry Wolf (also a Netherlander, who explained that he was a "go between" in business matters) and Herman Vanderee. It was indicated by the pleadings and testimony that Judge Helmick had pointed out the defendant that it was illegal for him to enter into a partnership with a man not licensed to practice in the U. S. Court. The plaintiff testified that the defendant had represented to him that he had a good chance of becoming the District Attorney. A question asked the witness Wolf intimated that he had told Mr. Allman that he would testify in the latter's favor if he were paid $1,000.

"Preparatory Commission" Passes Through Shanghai Enroute to Philippines

The Preparatory Commission which is being sent by the United States to the Philippine Islands to investigate the economic situation there as affected by the changes incidental to independence—at the head of which is John Van Antwerp MacMurray, former Minister to China—passed through Shanghai this week, enroute to Manila, on the s.s. *President Hoover*.

The Commission includes Louis Domeratsky, Chief of the Division of Regional Information of the Department of Commerce; Lynn R. Edminister, Chief Economic Analyst of the Division of Trade Agreements of the State Department; Col. Donald C. McDonald; Carl Robbins, Assistant Chief of the Sugar Section of the department of Agriculture, and Frank A. Waring, Senior Economist of the U.S. Tariff Commission.

Members of the Philippine delegation are Jose Yulo, Secretary of Justice; Conrado Benitez, Dean of the College of Business, University of the Philippines; Jaochim M. Elizalde, member of the National Economic Council; Quintin Paredes, Resident Commissioner for the Philippines in Washington; Jose E. Romero, floor leader of the majority party in the Philippine Assembly, and Manuel Roxas, minority leader.

Manuel Quezon, President of the Philippine Commonwealth, was also a passenger on the s.s. *President Hoover*, enroute to Manila on his return from the United States. He was met here by Felipe Buencamino, member of the Philippine National Assembly together with a party of five other prominent Filipinos.

Japanese Oil Concessioners in Sakhalin Act Arbitrarily, Soviets Change

A Moscow message Aug. 7, stated that the Japanese oil concession company in Sakhalin had sent an application to the corresponding Soviet organs for permission to lay a pipe line in the vicinity of Katangli on the north-eastern shore of Sakhalin, however, before receiving permission f om the Soviet Government. The Japanese concession company boldly started to lay the pipe line. The representative of the concession in Moscow addressed an impudent letter to the chief of the Soviet Concessions Committee demanding legalization of the post factum commencement of the laying of the pipe line. The Sakhalin authorities were instructed from Moscow to take measures not to permit the construction of the pipe line without the permission of the Soviet Government.

"Pravda" Notes Improved Trade Relations Between the U.S. and Soviet R..ssia

In an article devoted to the Soviet-American Trade agreement concluded on Aug. 4 Moscow *Pravda* commented: "The Soviet-American Trade Agreement constitutes a further important step on the path of the normalization and improvement of the trade relations between the Soviet Union and the United States. The new Trade Agreement, by its nature and contents, puts a wider basis under Soviet-American trade relations, since the United States grants to the Soviet Union unconditional and unrestricted most favored nation treatment in the field of the export of Soviet goods to the American market."

Arctic Freight Transportation Takes a Big Jump

Tass reports that in this year's Arctic navigation season—the third year of the regular operation of the Northern Sea Route—351,800 tons of freight will be carried on Soviet Arctic seas against 276,000 tons in 1936.

Third Five-Year Plan Contemplates Big Growth in Jewish Autonomous Province

A broad popular discussion is now in progress in the Jewish Autonomous Province in the Far East on the Third Five-Year Plan of the development of the region, recent advices from Moscow stated. Workers, collective farmers, scientists and engineers are taking an active part in this discussion and introducing many proposals of their own. According to the preliminary outlines of the plan, the number of Jewish settlers in the region will reach 100,000 by the end of 1942. New collective farms and settlements are to be created and 375,000 acres of land reclaimed. The area under cultivation is to be increased to 250,000 acres. The region is to become one of the principal centers of Soviet culture for the Jewish people.

U. S. to Build 16-inch Gun Battleships for Soviets?—London's Fears

The reported negotiations taking place between the Soviets and United States firms, by which the latter would undertake the construction of two 35,000-ton battleships armed with 16-inch guns is considered in London (according to *Havas*) as diplomatically unfortunate and technically a mistake. If Soviet intentions are confirmed, it is thought to be certain that the Japanese will endeavor to outclass American battleships and eventually Soviet battleships armed with 16-inch guns, and thus the armaments race, that naval treaties have tried to subdue, will be given a new impulse.

The construction of such battleships would also weigh on German construction plans, obliging a reconsideration of the last naval treaties which were concluded only after laborious negotiations.

Japan to Object to U.S. Fliers in China Army

Domei states that formal representations against the reported plans of crack American aviators to join the Chinese air force will shortly be made to the United States Government by Japan. The demarche will call the attention of the American Government to the unfavorable effect which such plans, if materialized, would have on the existing friendly relations between Japan and the United States.

Such project, *Domei* was informed by Gaimusho officials, would not only run counter to the American representation made some time ago for a peaceful settlament of the North China incident, but would also contravene the spirit of the Neutrality Act. Tokyo newspapers this week featured a report from Los Angeles that Russell Hearn, once an adviser to the late Marshal Chang Tso-lin, Manchurian warlord, is planning to organize of 182 American pilots for action in China.

U.S.A. Against Americans Enlisting in Foreign Armies

The law against the enlistment of Americans for foreign armies will be consistently applied to any situation arising in connection with the present Sino-Japanese strife, affirmed Cordell Hull, U.S. Secretary of State, Aug. 6.

CUSTOMS NOTIFICATION NO. 1594.

The public is hereby notified that, in accordance with Government instructions, effective from the 11th August 1937, the duty rate for Domestic Cocoons (including Doupions) under Export Tariff No. 170 is increased to $42.00 per quintal.

CHU CHANG-NIEN,
Superintendent of Customs.

L. H. LAWFORD,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 10th August 1937.

CUSTOMS NOTIFICATION NO. 1595.

With reference to Customs Notifications Nos. 1488 and 1497:

> concerning the Regulations governing the Issue of Huchao for the Movement of Saltpetre, Sulphur and other Similar Explosive Materials;

the public is hereby notified of a revised version of Article No. 7 of the above Regulations, which has been promulgated by the Government as follows:—

Article No. 7 (revised version promulgated on 27th March 1937). The articles and maximum quantities which may be covered by a Huchao are as follows:—

(a) Saltpetre (*i.e.*, saltpetre (potassium nitrate), Chile saltpetre (sodium nitrate), lime saltpetre (calcium nitrate), Norge saltpetre (basic calcium nitrate) ammonium nitrate, barium nitrate, strontium nitrate).
Sulphur.
Potassium chloride (muriate of potash).
Chlorates (including potassium chlorate).
Perchlorates (including potassium perchlorate).
Not exceeding 5,000 market catties per Huchao.

(b) Nitric acid.
Sulphuric acid.
Phosphorus (red and white).
Acetylides.
Azides.
Fulminates.
Picrates.
Oil of mirbane.
Mononitro—and dinitro-organic compounds.
Not exceeding 2,000 market catties per Huchao.

CHU CHANG-NIEN,
Superintendent of Customs.

L. H. LAWFORD,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 11th August 1937.

New Books of Interest in the Far East

China and Japan in World Politics

The Far East in World Politics, by G. F. Hudson. Published by the Oxford University Press, London. 7s.6d.

This book is by a fellow of All Souls College, Oxford, and is an attempt to present a study in the recent history of the Far East to show how the present state of affairs has come into being.

The first part is made up of an admirably compre ensive survey of the history of China and Japan from the first thrusting in of the foreigners, who came merely to seek "the further development of the Eastern trade." Mr. Hudson tells of the opening wedges and of the westernizers and their conflicts with the people of the Far East. The chief conflicts were not physical but mental—the cultural life of the Oriental was being invaded and violated. The reactions of China and Japan to conditions thus created, with the resultant misunderstandings are well set forth.

Then the relationship of the various European countries with China and Japan is dealt with: the building of a railway across Asia; the securing of European bases in Asia; the "battle of the concessions"; the Anglo-Japanese alliance; the re ulse of Russia; the eviction of Germany and the Washington treaties.

The march of the Kuomintang to control over the most important parts of the nation, with the aims and plans of the Nationalists, is very graphically told. The author's insularity (so difficult to overcome on the part of anyone inordinately proud of his empire) is shown by the following: "This provocation (Nanking affair) naturally produced acute tension, and it appears that a Communist outbreak in Shanghai was planned to follow the Nanking outrages. The International S ttlement was garrisoned by a British Defence Force of three brigades of regular troops in addition to the Municipal police and volunteer corps." Where were the American Marines, French troops and sailors, and the Japanese admiral and his thousands of men? And, if the reviewer's memory does not fail him, the Spanish even sent a cruiser with men to assist in the defence activities in case there was an attack on the foreign settlements of Shanghai.

The formation of "Manchukuo" by the Japanese is explained in such a way that it will surely cause the Japanese War party to ban the book from Japan, for the truth is told in such plain, unadorned language.

Mr. Hudson concludes there are today four great powers in the Far East—Japan, the U. S. A., England and Soviet Russia. Japan, "feeling her oats," is standing alone, and her expansion is directed toward China Proper and Inner Mongolia, not towards Outer Mongolia or Siberia. Japan's policy is to make China, or at least the north-eastern provinces, into a domain of Japanese finance and commerce with the Western powers excluded or admitted only on terms. "The Japanese are haunted by the vision of a new China, united, independent, and reorganized, steadily reducing her rival's temporary lead and finally surpassing her in wealth and power." They are also fearing the strengthening of the American naval forces, for such power will no doubt cause Japan to fear for her supremacy in commanding the waters of the north-western Pacific, as well as hesitate to use her sea-power in trying to subjugate all of China.

The Far East in World Politics tells of the contemporary situation fairly, with no emotionalism. It is of value to serious students of the problems of the Far East, but will be distasteful to the Japanese militarist.

M. V.

Personal Experience in Revolution and Afterward

My Affair, By Lola Kinel. Little, Brown and Co., Boston. $3.00 (U. S.)

The title of this book aptly describes the personal memoirs of its Russian author. Some of us have already read her sketches or reminiscences of Isadora Duncan and the Russian Essenine in the "Atlantic Monthly." These same sketches, somewhat amplified, are included in this volume.

All her experiences are written with a candor and truthfulness which makes them convincing. Having lived through the two Russian Revolutions of 1917, escaping finally with her grandmother and sister to Poland, earning her living by her wits and her knowledge of languages, she has many experiences of absorbing interest to recount. Moreover she possesses the real raconteur's gift for telling a good story. There is not a dull page in the book; though, to an American at least, the chapters on Russia, Poland and her "other peregrinations" are much more absorbing than her comments on America. Her observations on American life seem a trifle superficial after her illuminating comments on the freedom of the first Russian Revolution, the salvery of the second, the "scientific" charity of the American-Jewish Relief Mission, the early days of journalism with a man as well known as George Sokolsky now is, and her own courgaeous struggle through the poverty of those days. Her life in America, of course, despite marriage, divorce and a struggle to support herself and little daughter is uneventful in comparison. Her perfect ease with English and the style she has achieved in a language not her own are remarkable.

Lola Kinel says the difference between the March revolution in 1917 when the Czar abdicated and the one in October when the Bolshevik officially took control was as day from night. "On the latter day a handful of people put the hundred and fifty million Russians back under the yoke,—a yoke embellished with beautiful humane slogans about the "worker" and under the spiritual heritage of an old, bearded German professor called Karl Marx, a yoke completely different in color and manner from the yoke of the Czar and his squirarchy, yet nevertheless a *yoke*." "The first revolution gave the Russian people their freedom . . . . the second revolution meant business."

Those of us who know "Sok" today must read with interest Miss Kinel's description of George Sokolsky in 1917 in Russia. They were editing the Russian Daily News,—they and an American business-man. Sok was the night editor and stayed on until one when the paper went to press. "Sok was going to write the greatest American novel. It was going to be about a Jew. Why the greatest American novel was going to be about a Jew I don't quite remember. Sok explained that no one had yet written a thing like that and he knew just how to do it . . . . There was a shrewdness about him, a knowledge of practical affairs and hard common sense which, permeated with humour, gave his radicalism an entirely different color. He had none of the Russian socialist's contempt for comfort and riches. On the contrary, he liked comfort and he knew how to achieve it." Not bad!

There is a vivid character sketch of Kerensky; a lovely description like this of Isadora Duncan's dancing: "Each dance was one beautiful, undulating line; a magic fluidity of motions of which each single one, arrested, would have revealed a composition worthy of the greatest sculptor", and a picture of the Russian woman, poor but proud, who sailed past the office boy "as a ship passes a piece of driftwood". Oh, yes, Lola Kinel handles her English well. From humor to pathos, she runs the gamut of your emotions, and makes one wish it possible to meet her in real life.

G. T. F.

The World Viewed from the Sea

Gentleman Overboard, by Herbert Clyde Lewis. The Viking Press; New York.

Herbert Lewis, having traveled the wide seas, makes the reader of his novel wonder if at some time some place in the world, he himself met with a mishap of slipping into the sea—so vividly and fascinatingly does he depict this unfortunate hero Henry Preston Standish, as a gentleman overboard.

Mr. Standish was a gentleman of a well-known, well-regulated, well-bred line of ancestors, and as a result behaved as a creditable person, although tossed into a chilling unfamiliar environment. All of us more fortunate human beings who have enjoyed the security of the decks on the boats ploughing the seas, have always entertained the puzzling thought of what goes on in the minds of those ploughing against the seas, and we find ourselves sharing with this estimable hero, all his reactions in his solitary existence.

Henry Preston Standish lived his life not unlike ninety-nine percent of other human beings in the world, reared to respect the law, adhere to the daily rules of a good home, family, and later a successful career. Like other human beings, came the time of rebellion of the spirit and he wanted to get out from under. So he bade his beautiful good wife and two children farewell and set forth for the needed change. His wanderings took him to Honolulu, and from there he embarked on a freighter for the Canal Zone. Not long out he slipped on a spot of grease headlong into the Pacific Ocean. At first he was not fully cognizant of his dangerous plight and gave himself up to the enjoyment of nature and how she lavishes all her generosity on magnificent sunsets, then dealing in introspection, then to his family, his friends, all of them so understanding when he wanted to get away from it all, and then found his mood suddenly changing from quietude, to chagrin, on to annoyance as the freighter was disappearing from sight, and then alarm. The reader literally rises and sinks with the hero. It is a brilliant presentation of a startling experience.

The author of this highly entertaining narrative was once engaged in newspaper work in Shanghai.

M. P. W.

Another "Whodunit" Reaches the Orient

Moons in Gold, by C. S. Montayne. J. B. Lippincott & Co., London.

An engaging detective story is *Moons in Gold*, with romantic interludes, and is reminiscent of Arsene Lupin and other famous lovable rogues of fiction. The story opens in Paris and concerns a magnificent collection of opals. Like most jewels they pass through the hands of attractive women and the Orient furnishes the background for a portion of the story. An ingenious Chinese servant attempts to outwit all of them in working with his master Captain Valentine. In pursuit of the opals, many persons engage in a race from Paris to Shanghai, involving many dangerous situations enroute. To those who find detective stories interesting or amusing this is a thriller of action and suspense. It is one of the three runners-up in the Lippincott-Harrap mystery contest.

M. P. W.

University of Minnesota Publications Discuss Far Eastern Problems

Among the books published recently which are of special interest to the Orient are three publications of the University of Minnesota. Harold S. Quigley, professor of Political Science at Minnesota, has written a book on *Chinese Politics Today*, in which he discusses China's internal affairs and her present relationships with other nations. Special attention is given in this volume to the problem of Manchukuo. The second book is entitled *Peace or War?* and is a reprint of eleven addresses by prominent men delivered at a conference at the University on April 7-9, 1937. Edited by Harold S. Quigley, it contains an address by Harley Farnsworth MacNair of the University of Chicago, well known for his writings on China, who spoke on "China Within the Triangle." The last of the publications is *Pacific Politics*, by Joseph Ralston Haydon, Professor of Political Science at the University of Michigan and formerly Vice-Governor of the Philippine Islands, who discusses the fundamental facts of the Far Eastern situation with special reference to conditions in Japan, China and the Philippines.

The Partner of John Jacob Astor

John Jacob Astor, An Unwritten Chapter, by Calvin I. Hoy, LL.B. Meador Publishing Co., Boston. $2.00.

Although the 86 pages are far from well-written, the content is more than interesting. The reader is told of the life of John Nicholas Emerick, who took young John Jacob Astor as his partner, and in dying in the early nineteenth century left his property, "a million dollars", in trust with Astor, to be turned over to Emerick's heirs after 99 years.

Emerick's will was lost sight of, and his heirs scattered all over the United States, so that when some brought suit against the present Astor family in 1928 for the million dollars plus interest (total, 30 millions), the people of America were astonished. The author, Mr. Hoy, was the original lawyer who investigated for the Emericks, and he sets forth here the entire story of the search for papers and the like, and the decision of the courts that the Emericks had waited too long to claim the estate from the descendants of America's "first millionaire." M. V.

Japan's Tenant Farmers

The "forgotten men" in Japan are the tenant farmers, writes Miriam S. Farley in the *Far Eastern Survey* for July 7. About 47 per cent of Japan's agricultural land is cultivated by tenant farmers, the large majority of whom must wrest their living from an area of less than two and one-half acres, while half or more of their produce must go as rent.

In this respect, the writer points out, Japan and the United States have similar problems: "Although Japan has made sporadic and ineffectual efforts to deal with the problem of tenancy, along lines not unlike those recently recommended in the United States by the President's Committee on Farm Tenancy, both Japan and the United States are far behind the more advanced countries of Europe in this respect."

Mutiny of Peace Preservation Corps at Kaiping Frustrated

The attempt of 1,800 peace preservation corps of the bogus East Hopei regime stationed in Kaiping, where the Kailan mines are located to revolt against the Japanese was frustrated when information leaked out beforehand. These peace preservation corps were disarmed by the Japanese troops, Aug. 8.

Shantung Hit by Heavy Earthquake—District of Hotse in Ruins

Advices from Tsinan state that the center of the serious earthquake last week has been found to be in Hotse, southwestern Shantung. The district is now a mass of ruins as a result of the violent seismic shocks. Not a house in the city or outskirts is intact; the number of casualties is countless. A stream of lava stretching over a distance of more than three miles bears mute witness to the destruction wrought. Parts of the city wall of Tungoh collapsed; many people in Tungping and Tsining were also killed or injured.

Kaifeng city experienced four earthquakes during the forenoon of August 1, as the result of which about 500 houses collapsed. One girl was killed and several persons were slightly injured. Cracks have developed along the dykes of the Yellow River. Kung Hsiang-yung, chairman of the Yellow River Conservancy Commission, is making an investigation.

At Tsachow the quake continued for three hours. As a result about two-thirds of the houses collapsed, and more than 100 persons lost their lives. *The Review's* correspondent at Kaifeng says there prevails a proverb," Shan yao ti tung hao shou cheng, (山搖地動好收成)," which means "in the year of the heaven trembling and the earth moving, a good harvest is expected." The earthquake is considered a good omen by the farmers.

CUSTOMS NOTIFICATION NO. 1596.

With reference to Customs Notification No. 1588: concerning the prohibition of export abroad and coastwise of bran;

the public is hereby notified that in accordance with Government instructions coastwise shipments of wheat bran may be allowed, subject to the approval of the Customs, provided they are covered by bonds signed by the Chinese chamber of commerce or the relative guild both at the port of shipment and at the port of destination, guaranteeing that the wheat bran is intended for ordinary domestic consumption and certifying its quantity, origin and destination.

CHU CHANG-NIEN,
Superintendent of Customs.

L. H. LAWFORD,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 11th August 1937.

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BY DR. CHU CHIA-HUA
Minister of Communications, 1932-35.

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ECONOMIC CONDITIONS IN CHINA ARE GREATLY IMPROVED

BY LO DEN WAY

Directorate of the Bureau of Statistics, Ministry of Industry, China

(Concluded from last week)

Three main approaches were brought into practice; viz., the improvement of seeds, the prevention of diseases and the renovation of fertilizers. Besides, steps were also taken to improve the rural life. To facilitate the circulation of rural capital, the Farm Credit Bureau was established with a total capital of $60,000,000 subscribed jointly and in equal proportion by the National Government and the sponsoring banks. The Bureau has formulated plans for the establishment of a system of co-operative treasuries, according to which a Central Co-operative Treasury with a capital of at least $10,000,000, provincial treasuries of at least $1,000,000 each, and hsien treasuries of at least 100,000 each will be established. It has also mapped out a scheme for the establishment of a network of graneries throughout the country with an aggregate capital of $17,621,344, and capable of storing about 200,000,000 piculs of cereals. A unified administration of co-operative enterprises was instituted. Training of personnel, promotion of co-operative education, and improvement of technique were stressed.

2. Industry.

Industry may be reviewed under the following three main topics: (1) factory registration; (2) granting of patent rights to new inventions and discoveries; and (3) industrial production.

(1) Factory registration. Since the year of 1932 registration of domestic factories has been made compulsory by the Ministry of Industry. Ignorant of the purpose of such a measure many a factory had been unwilling to comply fearing that some quasi tax might be levied upon them. However, the number of factories registered increased instantly as soon as its significance was made known to the public. In 1936, 2,441 factories were registered of which 193 were newly established during the year. They are listed according to location and to industrial group in the following:

Of the 193 new factories, 62, or 32% of the total were established in Chekiang, 36, or 19% in Shanghai, and 26 or 13% in Tsingtao. As far as industrial grouping is concerned, the food and drinks industry leads the list with the largest number of factories, textile industry stands second, and clothing industry comes as the next.

One of the major industrial enterprises planned during the year was the Central Machine Works with an initial cost of $600,000 and an expenditure of £128.00 for equipment. Construction of buildings has been completed, and machinery ordered from England already arrived. Work will be started as soon as final preparations are finished. Several alcohol distilleries were established during the year; viz., the China Alcohol Distillery Co., the Shensi Alcohol Distillery, and the Tientsin Distillery Co. the last with a capital of $500,000. Kiangsi. Of great importance to industrial development was the establishment of a plant for the manufacture of sulphate of ammonia by the Yung Li Chemical Industries Co., Ltd. Debentures amounting to a total of $15,550,000 were issued. The Tien Li Synthetic Nitrogen Products Co., Ltd. with a capital of $1,000,000 also started operation during the year. Its production capacity is 8,000 pounds of aqua ammonia, 13,000 pounds of nitrate acid, and 9,900 pounds of ammonium nitrate, calcium nitrate, and sal ammonia. For the development of vegetable oils industry, the China Vegetable Oils Corporation with a capital of 2,000,000 was established jointly by the Ministry of Industry and the Chekiang, Szechuan, Hunan, Hupeh, Kiangsi, and Kwangsi Provincial Governments. In the sugar refining industry mention may be made of the big sugar factory established during the year in Neikiang, Szechuan with an authorized capital of $10,000,000 to be paid up in five years. The sugar factory in Tsinan managed by the Pu Yih Industrial Co., and suspended in 1927 owing to business depression, was re-opened during the year.

(2) Granting of patent rights. Tendency towards the improvement of industrial technique may be seen from the government grants of patent rights and encouragements for new discoveries and inventions. According to statistics, up to the end of 1936, a total of 31 articles had been patented; 14 articles being for exclusive right of manufacture, 25 articles exempted from import duty, and 21 articles granted reduced transportation charges.

(3) Industrial production. According to an index released by the Economic Department of the Central Bank of China, the advance of industrial production in the year of 1936 is not insignificant. The general index started with 90.6 in January, 1936, and came to peaks in April, June, and October with increasing potential. Consequently the production level raised from 90.6 to 121.0 in a period of eleven months (from January to November). Fair recovery occured in the cotton industry of 1936, the index of cotton yarn production showed an increase of 34%. Cigarette production increased greatly during the fourth quarter of the year, its December index being as high as 147.8. The production of wheat flour enhanced in successive months, and the index reached 146.3 in August, the highest record of the year. After that, recession set in. Match production had a booming period in April, and the second quarter, on the average, was the best time of the year. The index declined thereafter, but a comparison made between January and December revealed an increase of 29%. The paper industry also took a forward stride as a big paper mill with a capital of $4,500,000 was planned in Wenchi, and three other paper mills established in Kwangtung, meanwhile, plans have been drafted for the reorganization of the paper industry in Fukien and the year. The precipitous rise started in August, while the highest record appeared in October. Beer production increased gradually in the first half year and declined in the second half with its peak at the middle of the year. The January index of alcohol production was 18.0 it rose vigorously until July, but at the close of the year the production level stood at 144.3 which was far beyond the production level in January.

3. Commerce.

Two vitally important events, both of which influenced the business conditions to a large extent, marked China's trade during 1936. On the one hand, smuggling in North China was so aggrevated that domestic markets were utterly disturbed and all kinds of business were run in an unusual manner. The situation also entailed serious losses to the national trasury. While on the other hand, contrary to such a deplorable state of affairs a new era was opened as a result of the adoption of a system of controlled currency. As foreign exchange rate was much more stablized than before, fairly favorable conditions characterized China's international trade. In general, China's commerce may be said to have virtually revived in the year of 1936. The outlook may be bright, yet obstacles are still to be met with. Unless compact co-operation is achieved between the government and business men, China's commerce can hardly expect to tide over its hard times.

Joint Sales of Native Goods—For the promotion of native goods, the establishment of a Native Goods Joint Sales Corporation under the joint auspices of the Central and provincial governments, and the native goods factories and companies, with a tentative capital of $2,000,000 was planned. Final preparations for the inauguration of the corporation are being made by a preparatory committee. To improve the quality of the native goods, a Native Goods Testing and Inspection Committee was organized in February by the Ministry of Industry. Thus far, the testing and inspection of Cheemen and Tunki tea and that of Hunan rice have been started.

Promotion of South Seas Trade—As a preliminary step to develop the overseas trade in the South Seas, an Industrial Inspection Mission to the South Seas was conducted in July under the joint auspices of the Ministry of Industry and Chinese Industrial Association. The party visited the Philippines, the Netherlands East Indies, and the British and French colonies in the South Seas, gathering important data.

Promotion of Foreign Trade—Steps taken during the year for the promotion of foreign trade include the encouragement of exports and imports, notably oil, cotton, tea, fruits, the formation of plans for the establishment of an export agency, and the appointment of a commercial attaché in the Chinese Embassy in Tokyo. As a result of government assistance and encouragement, the unfavorable balance of trade during the period between last January and last October showed a decrease of $110,145,623 as compared with that of the corresponding period in 1935.

Finally, full evidence of the recovery of China's business activity was seen in the price movement of the year. The downward trend of every price index in this country since the year of 1931 continued until up to the close of 1935 when price indices of various localities turned upward owing to the stimulation as a result of currency reform and possibly to some other reasons. The accompanying table furnishes a comparison between the general indices of the corresponding months of 1935 and 1936, all figures indicating the advance in percentages.

An Index of Production in China

(Monthly average of 1933 to 1935=100)

Period	*General Index*	*Cotton Yarn*	*Cigaretts*	*Flour*	*Matches*	*Cement*	*Beer*	*Alcohol*
1936								
Jan.	90.6	94.5	106.3	63.6	78.8	84.3	40.1	18.0
Feb.	90.7	95.2	101.5	66.5	70.4	124.7	58.0	27.7
Mar.	92.7	95.5	100.1	68.0	114.1	106.7	82.3	79.7
Apr.	100.3	101.1	96.2	94.6	140.5	93.1	124.4	104.9
May	92.5	96.1	89.5	74.4	131.8	99.6	167.5	176.3
June	105.7	110.6	102.1	82.4	139.5	138.6	213.9	210.3
July	96.4	83.0	96.6	125.3	84.1	99.5	197.9	172.0
Aug.	98.7	81.1	91.6	146.3	90.3	145.9	154.2	13.9
Sept.	104.6	90.2	111.8	121.5	107.1	149.1	113.2	26.3
Oct.	122.3	114.4	136.7	115.5	114.5	164.0	85.7	155.3
Nov.	121.0	116.3	135.8	111.0	103.4	144.1	70.7	182.9
Dec.		126.4	147.8	98.2	101.5	160.1		144.3

4. Others.

During the year under review, the Ministry of Industry granted mining licences to 166 private-owned mines with a total area of 1,174,638 mow, and prospecting licences to five mines with a total total area of 35,466 mow. In view of the importance of petroleum in industrial development, surveys of the petroleum mines in Yenchang and Yenchuen were made by the Shensi Provincial Government, and in Kiangsin by the Szechuan Provincial Government. To promote the coal industry, a conference of coal merchants was convened by the Ministry in June to discuss measures for the distribution and marketing of coal. Meanwhile, steps also taken to facilitate the export of tungsten and antimony.

To regulate the supply of fish in Shanghai and its vicinity, the Shanghai Fish Mart was established in May by the Ministry with a capital of $1,200,000. The accumulated profits made by the Mart during the year amounted to no less than $3,410,854. Another important step toward the development of fishing industry was the organization of the Fishery Consortium with an initial capital of $1,000,000.

Forestry projects in the Northwest and various other parts were undertaken during the year by the local governments with the assistance of the Central Government. In Nanking, a model forestry station was established in Chintzekang where 2,463,731 young trees and 5,041,667 saplings were planted.

The above are but brief accounts of the more important phases of industrial reconstruction during the past year, and while it is not possible to enumerate everything that has been done, the accomplishment to date is really far from adequate for a country such as China and at a time such as the present. While it might be said that a start has been made, further progress depends on the joint effort of the people and the government.

Rate of Advance of Price Indices from 1935 to 1936.

Location	*Jan.*	*Feb.*	*Mar.*	*Apr.*	*May*	*June*	*July*	*Aug.*	*Sep.*	*Oct.*	*Nov.*	*Dec.*
Canton	10.59	12.64	16.28	20.38	26.13	37.70	39.77	34.02	32.89	32.72	18.78	
Shanghai	4.93	5.51	10.37	11.89	11.37	15.20	18.45	16.87	17.45	16.58	9.39	15.00
Nanking	1.94	0.24	3.68	4.31	2.21	3.75	5.23	8.71	10.67	9.86	5.80	10.37
Hankow	0.98	1.74	7.91	9.89	8.06	9.78	8.97	8.48	9.71	18.05	12.20	15.57
Tsingtao	2.69	2.33	3.23	4.13	4.12	5.98	7.25	6.58	6.00	5.30	3.31	0.00
Tientsin	8.28	10.59	15.36	16.98	14.63	15.66	19.38	18.63	19.84	18.89	14.09	19.77
Average	4.90	5.51	9.47	11.26	11.26	14.67	16.52	15.55	16.09	16.32	10.60	10.12

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Amoy Departure		Manila Departure	
Tues.	17 Aug. 4 p.m.	Sat.	21 Aug. 11 a.m.
Wed.	1st Sept. 4 p.m.	Mon.	6 Sept. 11 a.m.
Sat.	11 Sept. 4. p.m.	Thurs.	16 Sept. 11 a.m.
Tues.	21 Sept. 4 p.m.	Mon.	27 Sept. 11 a.m.
Sat.	2 Oct. 4 p.m.	Thurs.	7 Oct. 11 a.m.
Tues.	12 Oct. 4 p.m.	Mon.	18 Oct. 11 a.m.
Sat.	23 Oct. 4 p.m.	Thurs.	28 Oct. 11 a.m.

Manila Arrival		Amoy Arrival	
Fri.	20 Aug.	Mon.	23 Aug.
Sat.	4 Sept.	Wed.	8 Sept.
Tues.	14 Sept.	Sat.	18 Sept.
Fri.	24 Sept.	Wed.	29 Sept.
Tues.	5 Oct.	Sat.	9 Oct
Fri.	15 Oct.	Wed.	20 Oct.
Tues.	26 Oct.	Sat.	30 Oct.

China Merchants' Steam Navigation Co., Ltd.

Latest New York Stock Exchange Quotations

Aug. 11, 1937

Stock Exchange—Business Done:-

Total Volume: 690,000 Shares

1937 High	1937 Low	Div. $ per sh.	STOCK	Last Sale Aug. 9	Last Sale Aug. 10
22⅜	15	0.55	Adams Express	18⅝	18⅞
83½	57½	2.00	Allis Chalmers	68⅝	69
121	90⅝	5.00	American Can	111	110
35⅞	26⅝	0.60	Amer. Cyanamid "B"	34⅝	34⅞
13¾	6	—	American & For. Power	9⅛	9½
68⅝	47½	—	American & Foreign Pwr. $7. pfd.	58½	58½
29½	18¾	0.60	American Radiator	22	22½
187	159⅝	9.00	American Tel. & Tel.	170¾	170
99	74½	5.00	American Tobacco "B"	82	82
29½	16	0.80	American Waterworks	20⅜	19⅞
69½	48½	1.25	Anaconda Copper	62⅞	62⅛
93⅝	69½	2.00	Atchison, T. & S. Fe	79⅜	79
36⅝	14½	—	Auburn	17½	16⅝
40½	20⅝	—	Baltimore & Ohio	28⅛	27⅞
105½	78	2.50	Bethlehem Steel	101⅜	100
49⅝	27½	—	Boeing Airplane Co.	35¼	35⅛
17½	12⅝	—	Canadian Pacific Railway	12½	12¼
176½	138	4.00	Case, J. I.	183	182⅝
90½	62	3.00	Chesapeake Corp.	71½	70½
68⅞	50¼	2.80	Chesapeake & Ohio	53	52⅝
135¼	95⅛	13.00	Chrysler	115⅛	114⅝
20⅞	10½	0.40	Columbia Gas Electric	13⅜	13⅜
21¼	13	0.80	Coml. Sovents	14⅛	14¼
4⅛	2⅛	—	Commonwealth & Southern, ord.	2⅜	2⅞
49⅝	32	2.25	Consolinated Edison	36⅝	37⅛
17⅝	14⅝	0.80	Consolidated Oil	15¾	15⅝
48⅝	40¼	1.25	Continental Oil	47⅞	47¾
71¼	55	3.75	Corn Products	66	65⅞
77¼	48	—	Douglas Aircraft	57	57
180½	148½	5.95	Du Pont de Nemours	161	160
28⅛	14	—	Electric Bond & Share	19⅞	20
64⅞	50⅜	1.65	General Electric	57¼	56⅝
44¼	36⅜	2.35	General Foods	37	37½
70½	48⅝	4.00	General Motors	58⅜	58⅜
65⅛	42	1.00	General Railway Signal	43⅜	43
47⅝	27⅜	1.00	Goodyear Tire & Rubber	42¾	43⅜
87	73½	0.37	Humble Oil	83	82¼
73⅜	55¼	1.75	International Nickel	66¼	65¾
15⅞	9⅝	—	International Tel. & Tel.	11¾	11½
69⅝	51	1.95	Kennecott	64	63⅝
84½	64½	4.00	Loew's Inc.	86½	87½
28⅝	20	1.50	Lorillard	21½	21⅜
101	85	3.00	Monsanto Chemical	102¾	102½
69	50¾	4.30	Montgomery Ward	63⅞	64¼
33⅜	23	0.72	Nat. Bond Investment	27½	27¾
26⅛	18¾	1.20	National Dairy Prods.	20	20⅜
35	27½	2.75	National Distillers	30	30¼
14¾	8⅜	0.60	National Power & Lt.	10¾	10⅞
55¼	34⅜	—	New York Central	40¾	40½
34⅞	21⅜	1.30	North American	27½	27⅜
38	28½	1.75	Pacific Gas & Electric	31⅞	32
53⅜	40½	3.00	Pacific Lighting	45	45½
12⅜	8	0.50	Packard Motors	9	8¾
50¼	34⅜	1.00	Pennsylvania Railroad	37⅞	37¼
60¼	49½	2.75	Phillips Petroleum	62	62
52⅜	37	2.65	Public Serv. of N. J.	43	43
12⅜	7⅜	—	Radio Corporation of Amer.	11	10⅜
58	49	3.00	Reynolds Tobacco "B"	52¾	52¼
51¾	38⅝	4.50	Schenley	43	43⅝
95⅝	81	6.75	Sears Roebuck	97	98
21¼	16¼	0.75	Socony-Vacuum	22½	22¼
32½	23½	1.50	Southern California Edison	24¼	24⅜
65⅜	41½	—	Southern Pacific	48	47½
16¾	11⅜	1.05	Standard Brands	12	11⅞
14⅝	5⅞	—	Standard Gas & Electric	8¾	9
76	63⅝	2.50	Standard Oil Co. of N. J.	68½	67⅝
75	62	4.10	Sterling Products	66	66
44	34¼	2.50	Texas Gulf Sulphur	39¼	40
17⅝	12½	0.45	Transamerica	16⅛	16⅛
111	95	2.90	Union Caride & Carbon	100¾	101
148¾	122	6.00	Union Pacific	125	125½
35⅛	24⅛	0.50	United Aircraft (New)	28⅞	28¾
24⅜	14⅜	0.20	United Airline Trans.	16⅛	15⅞
13⅜	4	—	United Corporation	5⅜	5⅜
17	11¼	1.00	United Gas Improvement	13¾	13⅞
43⅝	28⅝	—	U. S. Indus. Alcohol	33½	33¾
72¾	44¼	—	U. S. Rubber	60⅝	60⅛
126½	75	—	U. S. Steel	119¼	118⅝
39⅝	24⅜	—	Vanadium	33	32⅝
18	12	—	Warner Bros. Pictures	14⅜	14⅝
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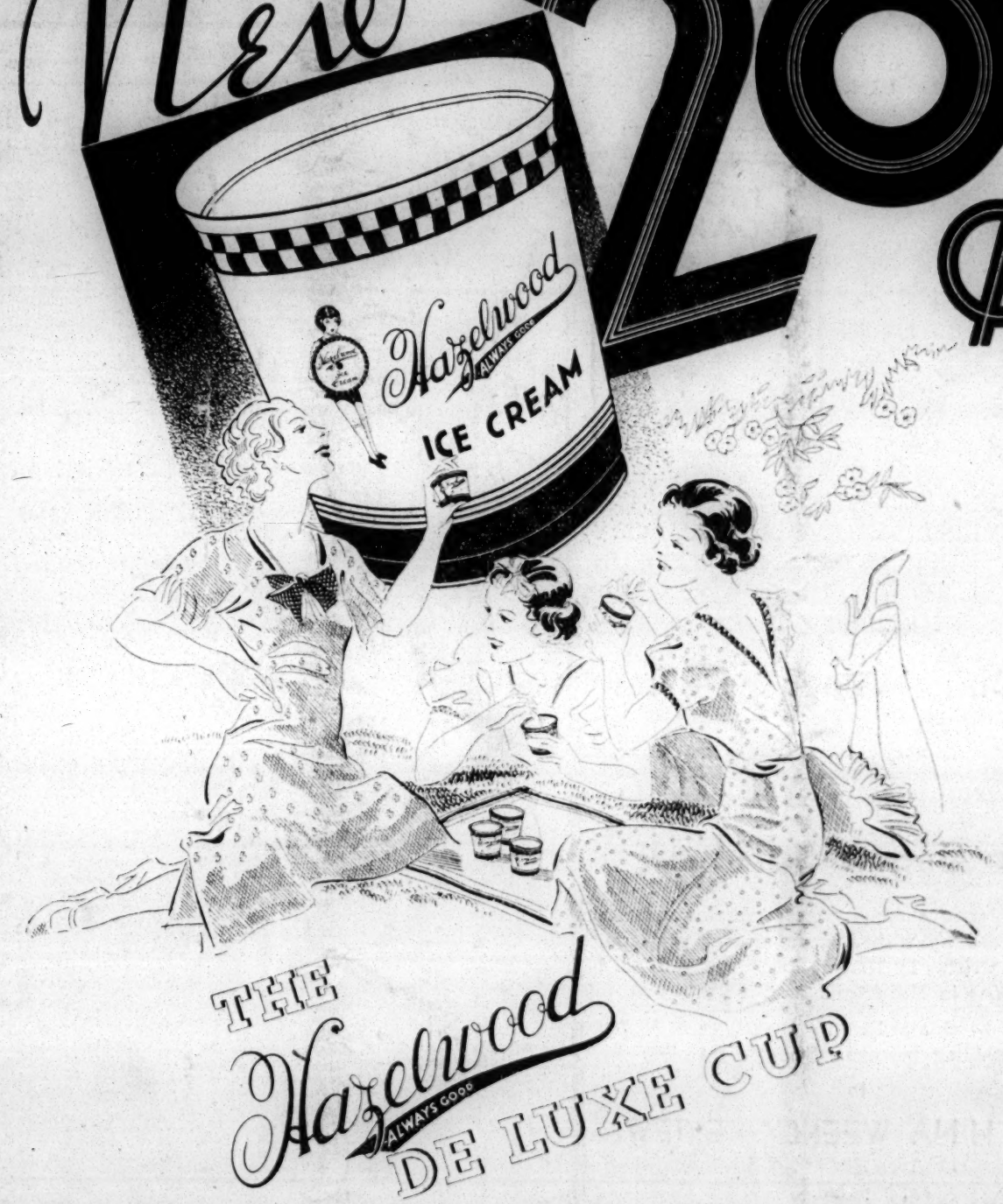

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